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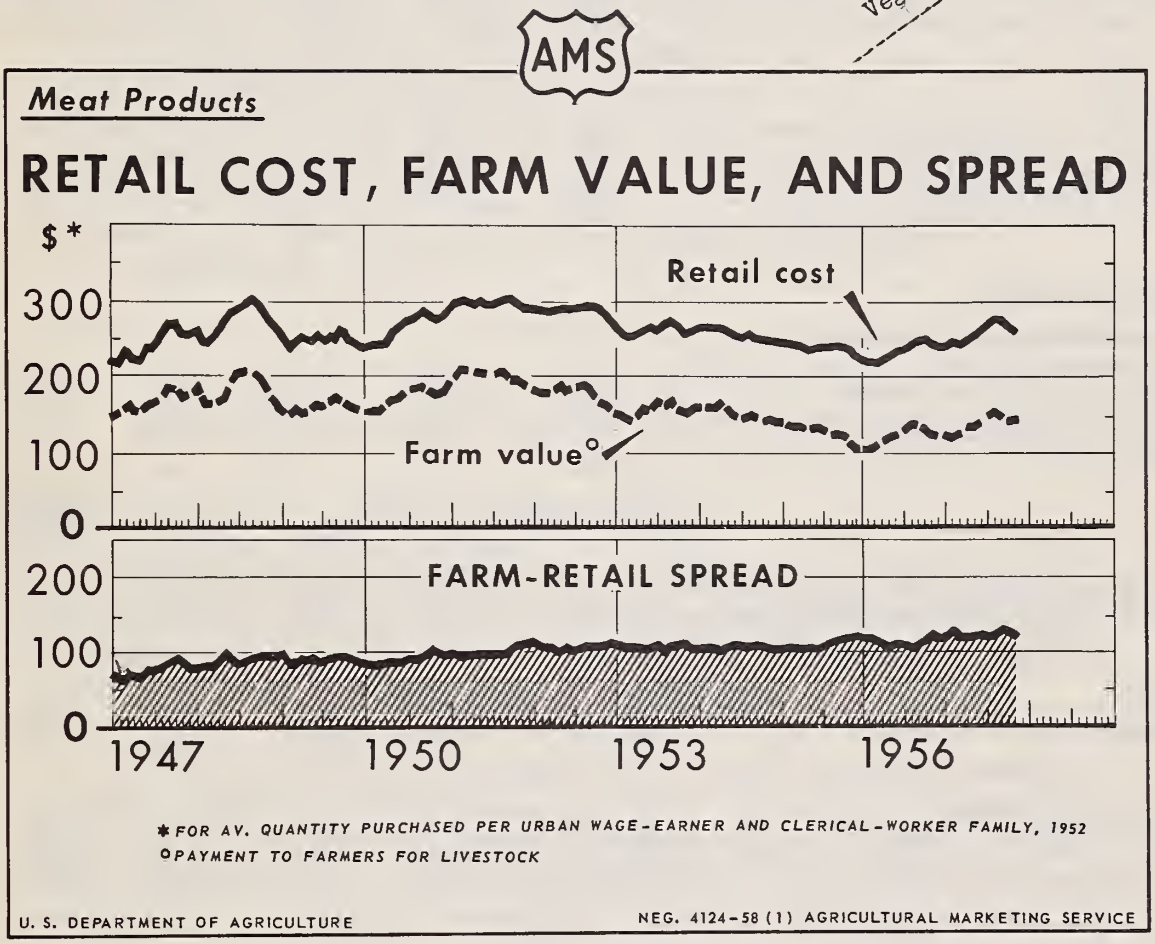
The MARKETING and TRANSPORTATION SITUATION

MTS-128

In this issue: Price Spreads for Dairy Products, Eggs, Poultry, Fruits, and Vegetables.



Charges for marketing meat products, as measured by the spread between the farm value and retail cost, rose to a record high early last fall. But it declined later in the year, contrary to the normal seasonal movement. The average in the fourth quarter was only 1 percent higher than a year earlier, but the average for the year was 8 percent higher than in 1956. The farm value of the meat products in the market basket rose 14 percent from 1956 to 1957 and the retail cost 11 percent, to a large extent caused by sharp price increases for pork. The retail cost, farm value, and spread for beef and lamb also were higher in 1957 than in 1956.

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STATISTICAL SUMMARY OF MARKET INFORMATION

Item	Unit or base period	1956 Year	1956 Oct.-Dec.	1957 Apr.-June	1957 July-Sept.	1957 Oct.-Dec.
Farm-to-retail price spreads						
Farm-food market basket: 1/						
Retail cost	Dol.	972	983	1,002	1,030	1,014
Farm value	Dol.	390	392	395	414	407
Farm-retail spread	Dol.	582	591	607	616	607
Farmer's share of retail cost	Pct.	40	40	39	40	40
Cotton: 2/						
Retail cost	Dol.	55.86	56.22	56.43	56.54	---
Farm value	Dol.	7.02	6.86	7.05	7.07	---
Farm-retail spread	Dol.	48.84	49.36	49.38	49.47	---
Farmer's share of retail cost	Pct.	12	12	12	13	---
Tobacco: 3/						
Retail cost	Dol.	3.47	---	---	---	---
Farm value	Dol.	.55	---	---	---	---
Federal and State excise taxes	Dol.	1.37	---	---	---	---
Farm-retail spread excluding excise taxes	Dol.	1.55	---	---	---	---
Farmer's share of retail cost	Pct.	16	---	---	---	---
General economic indicators						
Consumers' per capita income and expenditures: 4/						
Disposable personal income	Dol.	1,708	1,736	1,755	1,765	---
Expenditures for goods and services	Dol.	1,588	1,607	1,632	1,650	---
Expenditures for food	Dol.	424	429	439	446	---
Expenditures for food as percentage of disposable income	Pct.	25	25	25	25	---
		1956 Year	1956 Nov.	1957 Sept.	1957 Oct.	1957 Nov.
Hourly earnings, production workers, manufacturing 5/	Dol.	1.98	2.03	2.08	2.09	2.11
Hourly earnings of food marketing employees 6/	Dol.	1.81	1.85	1.91	1.92	1.94
Retail sales: 7/						
Food stores	Mil. dol.	3,683	3,778	4,112	4,109	4,028
Apparel stores	Mil. dol.	963	1,004	1,050	1,029	1,001
Manufacturers' inventories: 7/						
Food and beverage	Mil. dol.	4,685	4,814	4,684	4,725	4,759
Textile	Mil. dol.	2,586	2,674	2,631	2,625	2,639
Tobacco	Mil. dol.	1,882	1,895	2,000	1,980	1,969
Indexes of industrial production: 8/						
Food and beverage manufactures	1947-49=100	113	114	113	111	111
Textiles and apparel	1947-49=100	108	105	107	103	99
Tobacco manufactures	1947-49=100	107	109	113	109	---
Index of physical volume of farm marketings	1947-49=100	120	158	130	167	151
Price indexes						
Consumer price index 5/	1947-49=100	116	118	121	121	122
Wholesale prices of food 5/	1947-49=100	101	102	105	105	106
Wholesale prices of cotton products 5/	1947-49=100	93	93	90	90	90
Wholesale prices of woolen products 5/	1947-49=100	104	106	110	108	107
Prices received by farmers 9/	1947-49=100	87	86	90	89	89
Prices paid by farmers 9/	1947-49=100	110	111	114	114	115

1/ Average quantities of farm food products purchased per wage-earner and clerical-worker family in 1952.
2/ 42 cotton articles of clothing and housefurnishings, weighted by average annual quantities bought by wage earners and clerical workers as reported in 1934-36 survey. Data are for last month of quarter. 3/ 4 tobacco products from 1 pound of leaf tobacco (farm-sales weight), weighted by leaf equivalent of tax-paid withdrawals. Preliminary data for the fiscal year beginning July 1956. 4/ Seasonally adjusted annual rates, calculated from Dept. of Commerce data. 5/ Dept. of Labor. 6/ Weighted composite earnings in food processing, wholesale trade, retail food stores, calculated from data of Dept. of Labor. 7/ Seasonally adjusted, Dept. of Commerce. Annual data for 1956 are on an average monthly basis. 8/ Seasonally adjusted, Board of Governors of Federal Reserve System. 9/ Converted from 1910-14 base.

THE MARKETING AND TRANSPORTATION SITUATION

Approved by the Outlook and Situation Board January 24, 1958

CONTENTS

FARM-RETAIL PRICE SPREADS FOR FARM FOOD PRODUCTS

Highlights

Charges for marketing farm-produced foods averaged 4 percent higher in 1957 than in 1956, compared with annual increases of 1 to 2 percent during the preceding 4 years. A small increase seems likely this year.

Prices received by farmers for food products were 3 percent higher in 1957 than in 1956. This was the first increase in the annual average since 1951. Higher prices for meat animals -- particularly hogs -- and milk and cream accounted for most of the rise in 1957. But with the rise in marketing charges, farmers received 40 cents of the dollar consumers spent for farm foods in 1957 -- the same share as in 1956.

Retail prices of farm foods were 4 percent higher in 1957 than in 1956. Although they generally moved upward in both years, the 1957 level was below the record annual average in 1952.

Operating costs of food marketing firms continued upward last year. Hourly earnings of employees in food marketing enterprises rose an average of 5 percent. Further increases in hourly earnings are in prospect. Railroads raised their freight rates and are now asking the Interstate Commerce Commission to authorize additional increases. Prices of goods and services bought by marketing firms generally were higher.

Available data indicate that profits of food marketing firms were about the same in 1957 as in 1956. Profits of food manufacturing firms were smaller in 1957 than in 1956 while profits of retail food chains were higher.

Marketing Charges Up 4 Percent in 1957

Charges for assembling, processing, and distributing farm-produced foods averaged about 4 percent higher in 1957 than in 1956. The marketing margin or spread between the retail cost and farm value of the farm foods in the family "market basket" increased from an average annual rate of $582 in 1956 to about $607 in 1957 (table 1). 1/ This is the largest year-to-year increase since that from 1950 to 1951 and was about three times the average annual rise during 1952-56. The total farm-retail spread for foods in the market basket has risen each year since 1945, except for 1950 when it averaged a little less than in the preceding year.

The farm-retail spread for the market basket increased in each of the first three quarters last year but decreased by 2 percent from the third to the fourth quarter. This was more than double the normal seasonal decrease. The average spread in October-December 1957 was 3 percent wider than a year earlier (table 23, p. 45).

Marketing charges were higher in 1957 for each product group in the market basket except poultry and eggs (table 2). The largest percentage increases were for meat products, fats and oils, and bakery and cereal products.

Increases in marketing margins in 1957 reflected rising operating costs of food marketing firms. Average hourly earnings of employees of these firms were more than 5 percent higher in 1957 than in 1956. However, labor costs per unit of product marketed probably did not increase as much as average hourly earnings. Labor costs account for approximately half of the bill for marketing farm food products.

1/ The "market basket" contains the average quantities of farm-produced food products purchased for consumption at home per urban wage-earner and clerical-worker family in 1952. Additional information concerning the contents of the market basket and methods of estimating market-basket data are given in "Farm-Retail Spreads for Farm Products," U. S. Dept. Agr., Misc. Pub. 741, 1957. Farm value is the payment farmers received for the farm products equivalent to the foods in the market basket.

REVISED MARKET BASKET DATA

Revised 1956 data, by quarters, for the farm food market basket are given in table 26, pages 48 to 51.

Table 1.- The farm food market basket: Retail cost, farm value, farm-retail spread, and farmer's share of retail cost, 1947-57 1/

Year and month	Retail cost 2/	Farm value 3/	Farm-retail spread	Farmer's share
	Dollars	Dollars	Dollars	Percent
1947	911	467	444	51
1948	982	497	485	51
1949	928	435	493	47
1947-49 average	940	466	474	50
1950	920	432	488	47
1951	1,024	497	527	49
1952	1,034	482	552	47
1953	1,003	445	558	44
1954	986	421	565	43
1955	969	395	574	41
1956	972	390	582	40
1957 4/	1,007	400	607	40
1956				
Jan.	947	371	576	39
Feb.	942	365	577	39
Mar.	942	373	569	40
Apr.	951	381	570	40
May	964	394	570	41
June	991	406	585	41
July	1,005	406	599	40
Aug.	988	403	585	41
Sept.	988	402	586	41
Oct.	987	397	590	40
Nov.	981	390	591	40
Dec.	979	389	590	40
1957				
Jan.	978	389	589	40
Feb.	988	380	608	38
Mar.	981	387	594	39
Apr.	992	395	597	40
May	1,000	392	608	39
June	1,014	401	613	40
July	1,029	411	618	40
Aug.	1,036	420	616	41
Sept.	1,026	411	615	40
Oct.	1,017	401	616	39
Nov.	1,011	407	604	40

1/ The farmer's share and index numbers of the retail cost, farm value, and farm-retail spread for the years 1913-56 are published in "Farm-Retail Spreads for Food Products," U. S. Dept. of Agr. Misc. Pub. 741, 1957.

2/ Retail cost of average quantities of farm foods purchased per urban wage-earner and clerical-worker family in 1952, calculated from retail prices collected by the Bur. of Labor Statistics.

3/ Payment to farmers for equivalent quantities of farm produce minus imputed value of byproducts obtained in processing.

4/ Preliminary estimates.

Current data are given in the Statistical Summary, a monthly publication of the Agricultural Marketing Service.

The Interstate Commerce Commission authorized emergency increases in freight rates by eastern and western railroads effective December 28, 1956, and by southern railroads effective February 23, 1957. After hearings, the ICC authorized, effective August 26, 1957, total increases (including the earlier emergency increases) of 14 percent on freight within and between Eastern and Western Territories and 9 percent on that to, from, and within the Southern Territory. The ICC limited rate increases for carlot shipments of specified agricultural products by holddowns — the fixing of increases in dollars and cents per 100 pounds. Rate increases also were authorized for inland water carriers and freight forwarders. Some truckers increased their rates during the year.

Prices of containers and packaging materials, machinery, motortrucks, fuel, and other things marketing firms buy generally were higher in 1957.

Net profits after taxes of corporations that manufacture food products totaled about 6 percent less in the first three quarters of 1957 than in the same period of 1956, according to estimates of the Federal Trade Commission and Securities and Exchange Commission. Reports in financial publications indicate that profits of retail food-store chains were higher in 1957 than in 1956. Total corporate profits are larger in food manufacturing than in food retailing because corporations do a larger proportion of the business and profits per dollar of sales generally average about double those in retailing.

Nearly all Class I railroads have asked the ICC for authority to raise freight rates and charges, effective February 1, 1958. Tariffs filed by carriers provide for specific increases in rates for several hundred items and blanket increases of 2 percent for all items not specifically mentioned. Increases of 3 percent have been requested for many of the principal farm products. For others, specific dollars and cents increases have been asked. The carriers have asked increases in a long list of service charges and a blanket increase of 5 percent for all those not specifically named except a few for which no increases have been asked.

Wages may increase again this year. Average hourly earnings have risen in each of the last 10 years, even in 1949 and 1953 when business activity was declining. They were about 4 percent higher at the end of 1957 than at the beginning. Even without any further increase, the annual average will be higher this year than last, provided wage rates do not decline. But reduced personnel turnover and other factors could bring a greater improvement in productivity than in other recent years.

State and local taxes, depreciation charges, utility rates, rents, and some other costs are likely to average higher this year than in 1957.

Increases in costs may push marketing charges for food products up this year but the increase is likely to be considerably smaller than that between 1956 and 1957.

First Rise in Annual Average Farm Value Since 1951

Prices farmers received for food products averaged about 3 percent higher in 1957 than in the previous year. The farm value of the foods in the market basket increased from an average annual rate of $390 in 1956 to $400 in 1957 (table 2). This was the first increase in the annual average since 1951. A 14-percent increase for meat products accounted for most of the increase in the market-basket total. Farm values of the dairy products and bakery and cereal products also were higher than in 1956.

Table 2.- The market basket of farm food products: Annual average retail cost, farm value, farm-retail spread, and farmer's share, 1956 and 1957

Product group	12-month average 1956	12-month average 1957	Change - 1957 from 1956: Actual	Change - 1957 from 1956: Percentage
	Dollars	Dollars	Dollars	Percent
	Retail cost			
Market basket	972.21	1,007.09	+ 34.88	+ 4
Meat products	233.49	259.08	+ 25.59	+ 11
Dairy products	185.48	191.33	+ 5.85	+ 3
Poultry and eggs	97.66	93.55	- 4.11	- 4
Bakery and cereal products	150.75	156.67	+ 5.92	+ 4
All fruits and vegetables	219.80	218.88	- .92	1/
Fats and oils	43.44	45.35	+ 1.91	+ 4
Miscellaneous products	41.59	42.23	+ .64	+ 2
	Farm value			
Market basket	389.88	400.49	+ 10.61	+ 3
Meat products	121.42	138.35	+ 16.93	+ 14
Dairy products	86.66	88.29	+ 1.63	+ 2
Poultry and eggs	61.40	57.60	- 3.80	- 6
Bakery and cereal products	31.80	32.20	+ .40	+ 1
All fruits and vegetables	66.72	62.34	- 4.38	- 7
Fats and oils	14.51	14.44	- .07	1/
Miscellaneous products	7.37	7.27	- .10	- 1
	Farm-retail spread			
Market basket	582.33	606.60	+ 24.27	+ 4
Meat products	112.07	120.73	+ 8.66	+ 8
Dairy products	98.82	103.04	+ 4.22	+ 4
Poultry and eggs	36.26	35.95	- .31	- 1
Bakery and cereal products	118.95	124.47	+ 5.52	+ 5
All fruits and vegetables	153.08	156.54	+ 3.46	+ 2
Fats and oils	28.93	30.91	+ 1.98	+ 7
Miscellaneous products	34.22	34.96	+ .74	+ 2
	Farmer's share of retail cost			
	Percent	Percent	Percent	
Market basket	40	40	0	
Meat products	52	53	+ 1	
Dairy products	47	46	- 1	
Poultry and eggs	63	62	- 1	
Bakery and cereal products	21	21	0	
All fruits and vegetables	30	28	- 2	
Fats and oils	33	32	- 1	
Miscellaneous products	18	17	- 1	

1/ Less than 0.5 percent.

The farm value of the market basket rose in each of the first three quarters last year but declined seasonally in the fourth. The fourth quarter average was 4 percent higher than in 1956 (table 22, p. 44).

Retail Cost Rises 4 Percent

The retail cost of the foods in the market basket rose 4 percent from an average annual rate of $972 in 1956 to $1,007 in 1957 (table 2). 2/ However, the retail cost of the market-basket foods in 1957 was still about 3 percent less than the record level in 1952. All product groups except poultry and eggs and fruits and vegetables were higher in 1957 than in the previous year. The largest increase was for the meat products group.

The retail cost of the market basket rose in the first three quarters last year but fell in the final quarter, as did the farm value and farm-retail spread. The fourth quarter average was 3 percent more than the average for the same quarter of 1956 (table 22, p. 44).

No Change in Farmer's Share

Farmers received 40 cents of the dollar consumers spent for farm foods in retail food stores in 1957, the same share as in 1956. 3/ Last year was the first since 1951 in which the annual average farmer's share did not decrease. The farmer's share on an annual basis has varied from 32 cents in 1932 and 1933 to 53 cents in 1945.

Changes in Annual Averages, 1956 to 1957, by Product Groups

Meat Products.- Of the $26 increase in the retail cost of the meat products in the market basket, farmers received about $17 and marketing agencies $9. Farmers received 53 cents of the consumer's meat dollar in 1957 compared with 52 cents in 1956 (table 2). The farm-retail spread rose to a new high in the third quarter last year but dropped steadily in the fourth. (See cover chart.) The fourth quarter average was only 1 percent above the average a year earlier.

Sharp increases in the retail price and net farm value of pork (excluding lard) accounted for much of the gains in the retail cost and farm value of the meat products group. The annual average net farm value of pork increased 22 percent from 1956 to 1957 and the retail price rose 16 percent (tables 24 and 25, pp. 46 and 47). Marketings of hogs were slack last fall, so decreases in the farm value and retail price of pork

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2/ The retail cost of all foods bought per family is more than the retail cost of the "market basket" of farm foods, which does not include imported foods, fishery products and other foods of nonfarm origin, or costs of meals purchased in public eating places.

3/ Estimates of the division of retail cost between farmers and marketing agencies are based on concurrent prices at the farm and retail levels, except for processed fruits and vegetables and sugar. During a period of rising prices, the farmer's share calculated on this basis is somewhat larger than the share derived by comparing prices received by farmers for particular lots of products with prices paid by consumers for the same lots after they have moved through the marketing system. The reverse is true in periods of declining prices.

were less than the normal seasonal decline. In spite of the big gain last year, the annual average farm value was smaller than in all but 3 of the years since World War II. The retail price, however, was higher than in all but 4 of these years, reflecting the upward movement in marketing charges.

The farm-retail spread for pork also increased; the annual average was about 9 percent wider in 1957 than in 1956. Frequently the spread increases in the fourth quarter, but last year it decreased 7 percent and the average was only 5 percent wider than in the fourth quarter of 1956 (table 23, p. 45). Most of the gain in the spread in 1957 was in the wholesale-retail segment, which increased about 13 percent from 1956 to 1957 (table 3).

Both the farm value and retail price of Choice grade beef rose 7 percent from 1956 to 1957 and the farm-retail spread increased 8 percent (tables 24 and 25, pp. 46 and 47). An increase in the wholesale-retail segment of the spread more than offset a slight decline in the live-wholesale segment (table 4). The annual average farm value of beef was lower for 1957 than for all but 3 of the other postwar years, but the 1957 average retail price was higher than the average for all but 4 of these years.

The retail price, farm value, and farm-retail spread for lamb each increased by approximately 6 percent from 1956 to 1957.

Dairy Products.- The farm value of this product group rose 2 percent from 1956 to 1957, the farm-retail spread increased 4 percent, and the retail cost 3 percent. The farm value of each of the individual products in the group was higher in 1957 and the farm-retail spread was wider for all except American process cheese. (Marketing costs and margins for individual dairy products are considered in an article in this issue, pp. 12-18.)

Poultry and Eggs.- The farm value of this group was down 6 percent in 1957 and the spread decreased slightly, so the retail cost was lower. (Additional information is given in articles on pp. 19-32.)

Bakery and Cereal Products.- The farm-retail spread increased 5 percent from 1956 to 1957, continuing the steady rise since World War II. This was the largest year-to-year increase in the annual average since 1951. The farm value was up slightly in 1957. The farm-retail spread for bread increased 6 percent but the farm value did not change (tables 24 and 25, pp. 46 and 47).

Fruits and Vegetables.- A 7-percent reduction in the farm value was nearly offset by an increase in the spread, so the retail cost did not change significantly. (See pp. 33-40 for a discussion of prices and marketing costs and margins for these products.)

Fats and Oils.- The farm value did not change significantly. But the spread increased by 7 percent, so the retail cost rose by 4 percent. The farm value, retail price, and farm-retail spread for lard increased substantially from 1956 to 1957.

Table 3.- Pork: Live-wholesale and wholesale-retail spreads by quarters, 1956-57 1/

Quarter	Live-wholesale (per 100 pounds live weight)			Wholesale-retail (per 100 pounds major cuts)		
	Price of hogs 2/	Wholesale value 3/	Spread	Wholesale value 4/	Retail value 5/	Spread
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
1956						
Jan.-Mar.	12.82	13.74	5.92	34.19	47.18	12.99
Apr.-June	16.42	21.31	4.39	39.13	51.62	12.49
July-Sept.	16.77	22.22	5.45	41.09	54.92	13.83
Oct.-Dec.	16.12	21.49	5.37	38.66	54.11	15.45
Average	15.53	20.94	5.41	38.27	51.96	13.69
1957						
Jan.-Mar.	17.76	23.45	5.69	6/42.12	56.57	6/14.45
Apr.-June	19.09	24.35	5.26	6/44.58	59.21	6/14.63
July-Sept.	20.77	26.49	5.72	6/48.45	6/65.16	6/16.71
Oct.-Dec.	18.08	23.73	5.65	42.98	58.90	15.92
Average	18.92	24.51	5.59	44.53	59.96	15.43

1/ Quarterly data for 1949-55 are published in "Pork Marketing Margins and Costs," U. S. Dept. Agr. Misc. Pub. 711, Apr. 1956, tables 1 and 2.
2/ Average price of 200-220 pound barrows and gilts, Chicago.
3/ Wholesale value at Chicago of 71 pounds of pork and lard obtained from 100 pounds of live hog.
4/ Wholesale value of 100 pounds of major pork cuts at Chicago computed from Livestock Market News and National Provisioner price quotations of individual cuts.
5/ Calculated from average retail prices of major pork cuts in urban areas, published by Bur. of Labor Statistics.
6/ Revised.

Table 4.- Beef (Choice grade): Live-wholesale and wholesale-retail spreads, by quarters, 1956-57 1/

Quarter	Live-wholesale (per 100 pounds live weight)					Wholesale-retail (per 100 pounds carcass weight)		
	Price of steers 2/	Wholesale value			Spread	Wholesale price 4/	Retail value 5/	Spread
		Carcass 3/	Byproducts	Total				
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
1956								
Jan.-Mar.	19.47	20.15	1.83	21.98	2.51	34.15	49.68	15.53
Apr.-June	20.30	20.79	2.00	22.79	2.49	35.24	50.08	14.84
July-Sept.	23.76	24.97	2.14	27.11	3.35	42.32	54.80	12.48
Oct.-Dec.	22.67	23.74	2.06	25.80	3.13	40.24	56.64	16.40
Average	21.55	22.41	2.01	24.42	2.87	37.99	52.80	14.81
1957								
Jan.-Mar.	20.84	21.48	1.92	23.40	2.56	36.40	53.12	16.72
Apr.-June	22.85	23.39	2.15	25.54	2.69	39.65	55.76	16.11
July-Sept.	24.30	25.15	2.30	27.45	3.15	42.62	6/58.56	6/15.94
Oct.-Dec.	24.27	24.68	2.06	26.74	2.47	41.83	58.45	16.62
Average	23.06	23.68	2.11	25.79	2.73	40.12	56.48	16.36

1/ Quarterly data for 1949-55 are published in "Beef Marketing Margins and Costs," U. S. Dept. Agr. Misc. Pub. 710, Feb. 1956, tables 1 and 3.
2/ Weighted average of price at 21 leading public stockyards.
3/ Wholesale carcass value is 59 percent of average wholesale price of 100 pounds of Choice grade carcass beef.
4/ Weighted average of prices of Choice grade carcass beef in New York, Chicago, Los Angeles, San Francisco, and Seattle.
5/ Calculated from average retail prices of beef cuts in urban areas, published by Bur. of Labor Statistics. The retail value per 100 pounds of carcass weight is 80 percent of average retail cost of 100 pounds of retail cuts, because about 20 pounds of a 100-pound carcass is fat, bone, and trim which is sold by retailers at nominal prices.
6/ Revised.

SUPPLEMENTS AND REPRINTS

One page supplements to "Farm-Retail Spreads for Food Products," Miscellaneous Publication 741, have been published giving quarterly data beginning with 1947 (or later, depending on availability of statistics) for those individual products for which quarterly data are not given in Misc. Pub. 741. These supplements may be requested from the Marketing Information Division, Agricultural Marketing Service, U. S. Department of Agriculture, Washington 25, D. C.

Reprints of the following sections of Misc. Pub. 741 also are available: Part III.- Tables on Price Spreads for Food Products, Product Groups, and Market Basket; Part IV.- Bibliography (complete); Part IV.- Bibliography (Dairy Products only); Part IV.- Bibliography (Fruits and Vegetables only).

MARKETING MARGINS FOR DAIRY PRODUCTS 1/

Since 1952, the average marketing margin for a single quart of fluid milk has increased about 17 percent. However, the average marketing margin for all sales of fluid milk has increased less than for single quarts, owing to the shift toward larger sizes of containers and quantity discount plans. Operating costs have increased more than marketing margins. The net margin, before income taxes, has decreased by nearly one-third. The marketing margin for American processed cheese increased over 4 cents per pound from 1952 to 1953, but has held steady at about 29 cents for the last 5 years. After declining steadily for 5 years, the marketing margin for creamery butter rose 1-1/2 cents in the last year to a new high of 22.8 cents. For evaporated milk, the 1957 marketing margin of 8.2 cents per 14-1/2 ounce can was the highest on record.

Fluid Milk

The annual average retail price of milk reached a new high of 24.2 cents per single quart in 1957 (table 5). The advance of 0.9 cent from 1956 continues the steady increase of the past 3 years. The marketing margin was 13.3 cents, 0.6 cent above 1956; it has increased every year since 1950. The increase from 1950 to 1957 was 34 percent, an average of about 5 percent a year.

The farm value, or payment to the farmer, rose for the second consecutive year. The 1957 average of 10.9 cents was 1 cent above the 1950 level but 1 cent below the record in 1952. The farmer's share of the retail price averaged 45 percent, the same as in 1955 and 1956.

Retail Price Discounts and Producer Premiums

The retail prices used in calculating the marketing margins (table 5) are averages mainly of prices consumers paid for single-quart purchases of milk. But much fluid milk is sold in multiple-quart quantities at less than single-quart prices. Also, the farm value was calculated from averages of announced prices paid by processors to farmers and their cooperatives plus known marketwide premiums. Such prices do not include extra payments to farmers for bulk tank, quality, breed and location, and competitive premiums, hauling sudsidies and cooperative dividends. All of these extra payments are not paid in all markets or to all farmers; however, one or more of these payments probably is made to some farmers in most fluid milk markets.

1/ Prepared by D. D. MacPherson, Agricultural Economist, and H. V. Smith, Statistical Assistant, Market. Res. Div., Agr. Market. Serv.

Table 5.- Fluid milk: Retail price per quart in urban areas, farm value, marketing margin, and farmer's share of retail price, United States, average 1947-49, and annual 1950-57 1/

Year	Retail price	Farm value	Farmer's share	Marketing margin
	Cents	Cents	Percent	Cents
1947-49	20.1	10.6	53	9.5
1950	19.8	9.9	50	9.9
1951	22.1	11.2	51	10.9
1952	23.2	11.9	51	11.3
1953	22.8	11.1	49	11.7
1954	22.4	10.4	46	12.0
1955	22.5	10.2	45	12.3
1956	23.3	10.6	45	12.7
1957 2/	24.2	10.9	45	13.3

1/ Estimates of the retail price and farm value are computed from average retail and farm prices published by the Bur. of Labor Statistics and the Agr. Market. Serv.
2/ Preliminary.

Detailed studies are now being made of the farm-retail margin for fluid milk in a few individual markets. These studies consider the varying prices paid for milk purchased from home delivery routes and at stores in varying quantities and in different types of containers. They also consider all payments made to farmers.

Data gathered for the Chicago fluid milk market show that in May-June 1956 householders' purchases for home use in half-gallon and gallon containers, at an average price of 21.1 cents per quart, accounted for 78.3 percent of all purchases of fresh milk (table 6). Purchases in quart containers, at an average price of 23.2 cents per quart, accounted for the remaining 21.7 percent. (An earlier study showed that in 1934-35 sales in quart containers accounted for 88.4 percent of total sales. 2/) More than twice as much -- 68.2 percent of the total -- was purchased from stores at prices averaging 21.1 cents per quart as from home delivery routes, which accounted for 30.7 percent of the total at prices averaging 22.6 cents per quart (table 6). Prices paid ranged from a low of 15.8 cents per quart for a gallon purchased at a store to a high of 32 cents per quart for a single quart container purchased on a home delivery route.

For sales of raw milk made to distributors in the Chicago market, average net payments received by farmers, including extra payments of 9 cents per 100 pounds or 0.02 cent per quart, were equivalent to 8.8 cents per quart of milk sold to consumers.

2/ From H. C. Trelogan, "An Economic Analysis of the Chicago Milk Market," p. 10, unpublished Ph. D. Thesis, University of Minnesota, quoted in "Pre-War Developments in Milk Distribution," by L. F. Herrmann and William C. Weldon, Misc. Rpt. No. 62, Coop. Res. and Serv. Div., FCA, U. S. Dept. of Agr.

Table 6.- Household purchase of fresh whole milk: Average prices and proportion of purchases by source of purchase and size of container, Chicago, Illinois, May-June 1956

Source	Size of container	Percentage of quantity purchased: All sources	Percentage of quantity purchased: Specified sources	Average price: Per container	Average price: Per quart
		Percent	Percent	Cents	Cents
Home delivery ...	Quart	6.3	20.6	24.7	24.7
	Half gallon	13.4	43.5	46.1	23.1
	Gallon	11.0	35.9	82.8	20.7
Total		30.7	100.0	---	22.6
Store	Quart	15.4	22.5	22.5	22.5
	Half gallon	25.2	36.9	43.6	21.8
	Gallon	27.6	40.6	78.6	19.7
Total		68.2	100.0	---	21.1
Vending machine .	Quart	1/	1/	20.0	20.0
	Half gallon	1.1	100.0	38.9	19.5
	Gallon	---	---	---	---
Total		1.1	100.0	---	19.5
All sources	Quart	21.7		23.2	23.2
	Half gallon	39.7		44.4	22.2
	Gallon	38.6		79.8	20.0
Total		100.0		---	21.5

1/ Less than 0.05 percent.

The average marketing margin was 12.7 cents, or 59 percent of the retail price. If extra payments to farmers had been omitted and the single-quart price used, the marketing margin would have been 14.6 cents, or 63 percent of the retail price.

Operating Costs of Fluid Milk Firms

Detailed data from 80 representative fluid milk distributors indicate that after 5 years of almost continuous increase, operating costs of the fluid milk industry leveled out last year. From 1952 through 1956, total operating costs increased 3 to 4 percent each year while the increase last year was less than 1 percent. The leveling out during the last year resulted from mixed changes in the major cost items. Personnel costs (constituting over half of the total operating costs) increased 2 percent from 1956 to 1957, facility costs (rent, repairs, and depreciation) were up 5 percent and operating supplies gained 4 percent, containers decreased 3 percent, and other operating expenses decreased 3 percent.

During the 5-year period 1952-56, the sales value of the dairy products processed from 100 pounds of milk and cream decreased 10 cents and costs of raw materials, mostly raw milk and cream, were down 53 cents, resulting in an increase of 43 cents in the gross margin (fig. 1). This was more than offset by a rise of 59 cents in total operating costs; consequently, the net margin (before income taxes) decreased 16 cents. In 1957, the net margin after income taxes was about 1-3/4 percent of sales value of products or, on an average, a little less than 1/2 cent per quart of milk.

Container Sizes and Types

During the last 2 years, significant shifts have occurred in proportion of sales of certain sizes of containers used by fluid milk distributors. Data for a respresentative group of 80 firms show that of the total weight of products sold, the proportion in gallon containers has increased slightly, and that in half-gallon containers has increased from about 28 to 33 percent (table 7). Nearly all the increased sales

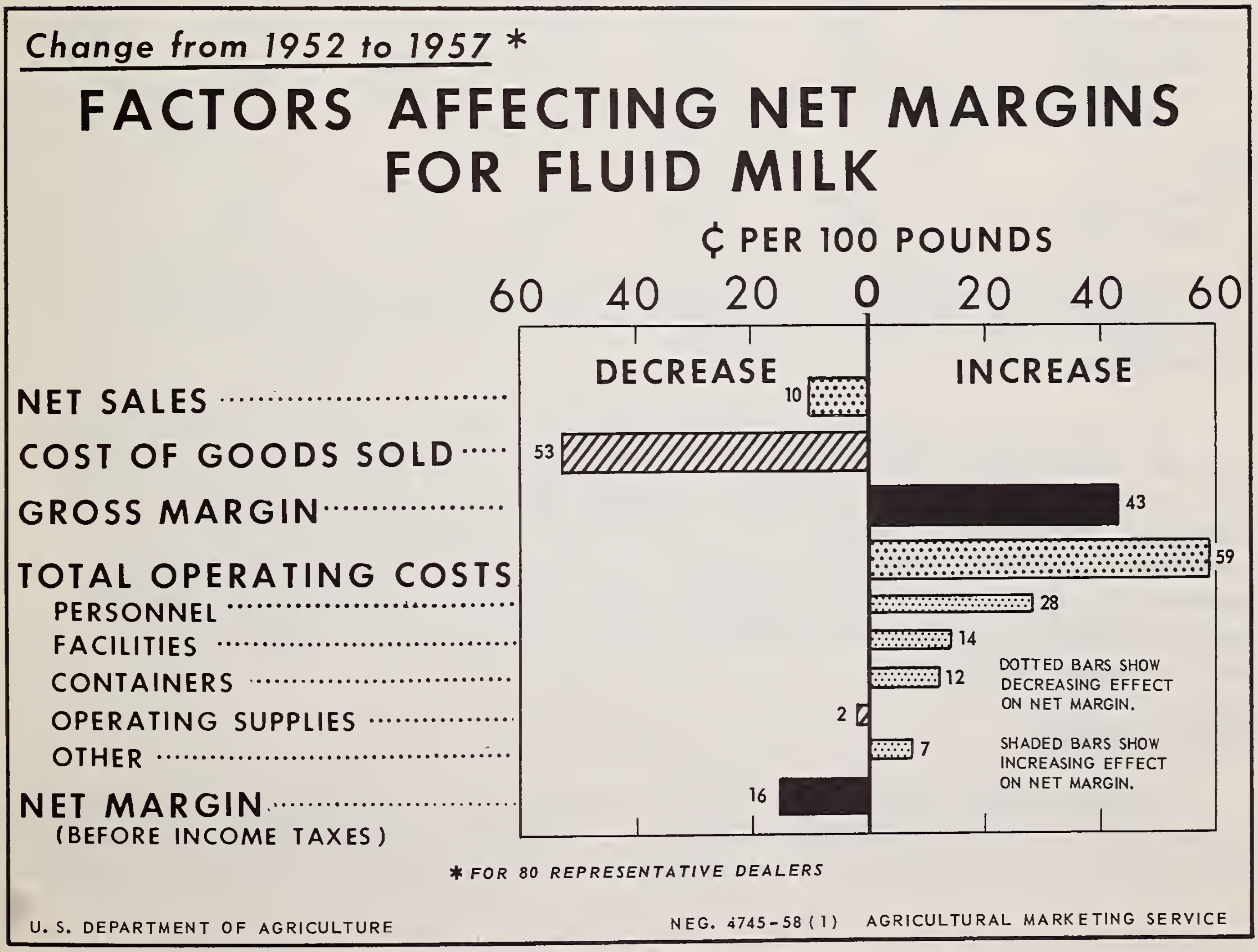

Figure 1

in half gallons was in paper containers. Quart containers are of less importance. They dropped from 51 to 38 percent during this 2-year period. This decrease was divided about equally between paper and glass containers. The percentage of product sold in half-pint containers has remained about the same, allowing for seasonal variations. Its seasonal use indicates the importance of the School Lunch and Special Milk programs, through which 3.5 billion half pints of milk were distributed during 1957. 3/

Table 7.- Proportion of total product sales by size of container, 80 milk dealers, July 1955-June 1957 1/

Year and quarter	5 gallon	Gallon	Half gallon	Quart	Half pint	Other 2/
	Percent	Percent	Percent	Percent	Percent	Percent
1955						
July-Sept.	6.5	1.4	27.6	51.2	7.5	5.8
Oct.-Dec.	6.9	1.6	28.3	47.5	10.1	5.6
1956						
Jan.-Mar.	7.5	1.6	28.8	46.6	10.5	5.0
Apr.-June	7.5	2.2	29.5	45.8	8.8	6.2
July-Sept.	8.1	1.6	32.2	45.2	6.7	6.2
Oct.-Dec.	11.0	1.4	30.6	42.2	9.4	5.4
1957						
Jan.-Mar.	10.9	2.1	31.5	39.5	10.6	5.4
Apr.-June	12.5	2.0	33.4	38.2	7.8	6.1

1/ Proportions computed on basis of total weight of products sold.
2/ Includes bulk gallons, 3-gallon dispenser, and manufactured products in packages.

In the second quarter of 1957, about 53 percent of the total weight of milk products was packaged in paper cartons, a slight gain from 1955. The proportion packaged in glass bottles declined from 40 percent to 32 percent. Sales in dispenser cans and bulk, combined, increased from 8 percent to over 14 percent. The 5-gallon dispenser can rose from 6.5 percent to 12.5 percent during the 2-year period. Apparently the dispenser machine is replacing other containers in hotels, restaurants, and institutions.

Sales Outlets

From a study of the operations of 80 typical fluid milk distributors, it appears that the shift in sales from retail (home delivery) to wholesale (stores, restaurants, and institutions) has slowed or halted. Retail

3/ Data about sales by milk distributors include all channels through which they dispose of milk. These data are to be distinguished from household purchases such as those for Chicago shown in table 6. Nationwide data on household purchases are being reported currently in "Household Purchases of Fluid Milk, Nonfat Dry Milk, Butter, and Margarine," (AMS-HPD Series) issued monthly by the AMS.

sales have remained near 37 percent of total sales for the last 2 years (table 8); they had decreased rapidly during the years immediately preceding 1955. Wholesale sales have declined from 53.4 percent in July-September 1955 to 50.8 percent in April-June 1957, while platform sales and sales to other dealers have increased from 9.5 percent to 13.2 percent during the same period. These changes indicate an increase in the importance of vendors (firms which distribute but do not process milk) and subdealers.

Table 8.- Milk processors' sales of fluid milk by type of sale, July-September 1955 - April-June 1957

Year and quarter	Retail sales 1/	Wholesale sales 2/	Platform and other dealers 3/	Total
	Percent	Percent	Percent	Percent
1955				
July-Sept.	37.1	53.4	9.5	100.0
Oct.-Dec.	37.4	52.6	10.0	100.0
1956				
Jan.-Mar.	36.4	52.7	10.9	100.0
Apr.-June	39.0	49.6	11.4	100.0
July-Sept.	37.7	51.3	11.0	100.0
Oct.-Dec.	37.5	50.7	11.8	100.0
1957				
Jan.-Mar.	36.8	50.6	12.6	100.0
Apr.-June	36.0	50.8	13.2	100.0

1/ Home delivery.
2/ Stores, restaurants, institutions, and other.
3/ Sales at platform, to other dealers, and in bulk.

Compiled from reports of 80 selected milk dealers.

In retail operations, half-gallon containers have increased from about 22 percent to nearly 30 percent of sales, while quarts have declined from about 74 percent to about 65 percent. In wholesale operations, sales in bulk dispenser cans have increased from nearly 15 percent to 23 percent of total sales; half-gallons have increased from about 30 percent to over 35 percent, while quarts have declined from 37 percent to 23 percent on the same basis. In platform sales and sales to other dealers, bulk dispenser cans and half-gallon containers increased in importance while quarts declined.

Manufactured Dairy Products

American Processed Cheese

The yearly average United States retail price of a pound of American processed cheese has varied by only 0.4 cent since 1954 and in 1957 was 57.6 cents. The yearly average wholesale price has varied by only 0.2

cent since 1954. Farm value -- what the farmer received for the milk equivalent -- during this period increased from 27.7 cents to 28.8 cents. But this rise was offset by a decline in the farm-wholesale margin from 8.8 cents to 7.7 cents. The total marketing margin decreased from 52 percent of the retail price in 1954 to 51 percent in 1955 and to 50 percent in 1956 and 1957. 4/

A study made in Wisconsin indicates that the marketing margin varies substantially for different varieties and styles of processed cheese and for different marketing channels. Retail prices ranged from 49 cents per pound for 2-pound and 5-pound loaves in supermarkets to 75 cents per pound cut to order from a loaf in specialty food stores. Prepackaged, sliced process cheese retailed at an average of about 62 cents per pound. Farm value and marketing margin each averaged about 30 cents per pound. While the marketing margin averaged about 50 percent of the retail price, it ranged from 39 percent to 59 percent.

A similar study for American cheddar cheese made in the Southeast also shows widely varying marketing margins. Retail prices for various packages and quantities, in different retail outlets, ranged from a low of 39 cents per pound to a high of 69 cents per pound. The farm value, which averaged about 5 cents lower than in Wisconsin, ranged from 24 to 27 cents. As a percentage of retail price, marketing margins were as low as 33 percent and as high as 62 percent.

Butter

Marketing margins for butter tend to be very stable. As a result of the relatively fixed marketing margin, retail prices and farm value tend to increase or decrease by the same amounts at the same time. The farm-retail price spread increased from 22.4 cents per pound in 1952 to a high of 22.8 cents in 1957 with a low of 21.1 in 1956. During this period, an increase in the wholesale-retail margin from 12.8 cents to 14.6 cents was mostly offset by a decrease in the farm-wholesale margin from 9.6 cents to 8.1 cents. The increase of 1.7 cents in the marketing margin from 1956 to 1957 was the largest year-to-year change in the last 8 years. The relatively stable marketing margin has, as a percentage of retail price, increased with lower retail and farm prices and decreased with higher prices; during the last 4 years, with relatively stable retail prices, it varied from 29 percent in 1956, 30 percent in 1954, and 31 percent in 1955 and 1957.

Evaporated Milk

The retail price of evaporated milk increased to 14.6 cents per 14-1/2 ounce can in 1957 but was still below the levels of 1952. The increase of 0.6 cent last year accompanied increases of 0.1 cent in farm value, 0.3 cent in farm-wholesale price spread, and 0.1 in wholesale-retail price spread. Marketing margin, as a percentage of retail price, was 57 percent in 1957, the same as 1954, and 1 percentage point more than in 1955 and 1956.

4/ Data for 1950-56 are given in "Farm-Retail Spreads for Food Products," U. S. Dept. of Agr. Misc. Pub. 741, Nov. 1957, p. 28. The same source shows similar data for butter and evaporated milk.

FARM-RETAIL SPREADS FOR POULTRY AND EGGS IN THE UNITED STATES AND SELECTED CITIES 1/

Farm-retail price spreads for eggs in 1957 were a little higher than in 1956 but were lower than in any other year since 1949 except 1953 and 1955. Farm-retail price spreads on frying chickens declined about 2 percent in 1957 to their lowest level in the 9 years for which data are available except for 1950 and 1955. For both commodities, changes in price spreads in the 1949-57 period have been slight.

Retail prices and farm values for eggs declined about 5 and 8 percent, respectively, from 1956 to 1957 while prices for frying chickens declined about 3 percent in the same period. Prices in 1957 for both eggs and frying chickens were at their lowest levels in 9 years.

Improvements in marketing methods and changes in location have been important factors in reducing marketing costs and price spreads. These factors have almost offset higher costs resulting from rising wage rates and other prices and from performance of additional services by marketing firms. This article describes recent changes in prices and price spreads for eggs, frying chickens, and turkeys in the United States and selected large cities.

Eggs

The spread between the retail price paid by urban consumers in the United States and the farm value, or payment the farmer received, averaged 18.0 cents a dozen in 1957, an increase of 0.1 cent over 1956 (table 9). The 1957 average spread, however, was lower than in all other years in the 1949-57 period except 1953, 1955, and 1956.

Retail egg prices and farm values averaged 3.1 cents and 3.2 cents a dozen lower, respectively, in 1957 than in 1956, continuing their generally downward trends of the 1949-57 period. Although retail prices since September 1957 have been higher than in corresponding months of 1956, increases were not large enough to prevent a decline in the annual average (table 10). With lower average retail prices and slightly higher farm-retail price spreads, the farm share of the retail price fell to 67 percent in 1957. This was 2 percentage points below the 1956 share and, except for 1950 and 1954, the lowest annual share recorded since 1949.

1/ Prepared by Leo R. Gray and Norris T. Pritchard, Agricultural Economists, Market. Res. Div., Agr. Market. Serv.

Table 9.- Frying chickens and eggs: Retail price, farm value, farm-retail spreads, and farm share of the retail price, United States urban areas, 1949-57

Year	Chickens (broilers and fryers ready-to-cook)				Eggs			
	Retail price per pound 1/	Farm value 2/	Farm-retail spread	Farm share	Retail price per dozen 1/	Farm value 3/	Farm-retail spread	Farm share
	Cents	Cents	Cents	Percent	Cents	Cents	Cents	Percent
1949 4/	60.0	38.0	22.0	63	65.9	46.8	19.1	71
1950 ...	58.5	37.4	21.1	64	57.1	38.0	19.1	67
1951 ...	61.3	39.0	22.3	64	69.7	49.4	20.3	71
1952 ...	61.6	39.7	21.9	64	63.6	43.2	20.4	68
1953 ...	60.0	37.0	23.0	62	66.8	49.0	17.8	73
1954 ...	54.2	31.6	22.6	58	56.2	37.5	18.7	67
1955 ...	56.2	34.6	21.6	62	58.1	40.1	18.0	69
1956 ...	49.0	26.9	22.1	55	57.7	39.8	17.9	69
1957 5/	47.7	26.0	21.7	55	54.6	36.6	18.0	67

1/ Estimated average prices of all frying chickens or eggs sold to consumers in retail stores in urban communities based on prices collected by the Bur. of Labor Statistics.

2/ Payment to producers for 1.37 pounds live weight quantity of chicken equivalent to 1 pound ready-to-cook weight.

3/ Average payments received by producers for 1.03 dozen eggs.

4/ Data for frying chickens are averages for last 9 months of year. Data for first 3 months not available.

5/ Preliminary.

Month-to-month changes in egg prices and price spreads generally exceed year-to-year changes (table 10). Month-to-month price and price-spread fluctuations are affected by changes in seasonal production rates and market supplies, but price spreads remain more stable than prices. Some of the monthly variations in price spreads also may be the result of short-time lags in price adjustments.

Seasonally, price spreads for eggs tend to be greatest in the summer and early fall and lowest in the winter and spring. Competitive factors and high production rates of good quality large eggs tend to narrow price spreads in the winter and spring. Wider price spreads in the summer and early fall may be due in part to (1) the general decline in volume of eggs moving through marketing channels which forces marketing firms to meet fixed charges with income from fewer dozens of eggs, (2) higher costs of maintaining egg quality in marketing channels, and (3) somewhat lower average quality of eggs marketed by producers.

Table 10.- Eggs: Retail price per dozen, farm value, farm-retail spread, and farm share of the retail price, United States urban areas, by months, January 1955-December 1957

Year and month	Retail price 1/	Farm value 2/	Farm-retail spread	Farm share
	Cents	Cents	Cents	Percent
1955				
Jan.	50.1	33.2	16.9	66
Feb.	57.8	40.7	17.1	70
Mar.	59.0	40.9	18.1	69
Apr.	53.3	37.0	16.3	69
May	51.6	34.8	16.8	67
June	51.5	34.8	16.7	68
July	55.0	36.3	18.7	66
Aug.	61.4	40.6	20.8	66
Sept.	64.4	45.1	19.3	70
Oct.	64.1	44.2	19.9	69
Nov.	62.4	44.7	17.7	72
Dec.	66.2	48.5	17.7	73
Average	58.1	40.1	18.0	69
1956				
Jan.	65.5	48.0	17.5	73
Feb.	58.0	41.4	16.6	71
Mar.	58.1	40.8	17.3	70
Apr.	56.5	39.7	16.8	70
May	55.6	38.7	16.9	70
June	54.0	37.5	16.5	69
July	55.9	37.7	18.2	67
Aug.	56.8	38.0	18.8	67
Sept.	58.9	39.8	19.1	68
Oct.	59.5	39.2	20.3	66
Nov.	57.5	38.3	19.2	67
Dec.	56.2	38.2	18.0	68
Average	57.7	39.8	17.9	69
1957				
Jan.	52.0	34.2	17.8	66
Feb.	52.5	33.8	18.7	64
Mar.	49.5	31.5	18.0	64
Apr.	48.9	31.7	17.2	65
May	47.2	29.9	17.3	63
June	46.0	29.9	16.1	65
July	51.9	33.1	18.8	64
Aug.	56.0	37.4	18.6	67
Sept.	61.0	41.2	19.8	68
Oct.	65.3	44.3	21.0	68
Nov.	64.3	46.7	17.6	73
Dec.	63.9	45.7	18.2	72

1/ Estimated average prices of eggs sold to consumers in retail stores in urban communities based on prices collected by the Bur. of Labor Statistics.

2/ Average payment received by producer for 1.03 dozen eggs.

Frying Chickens

Farm-retail price spreads on frying chickens dropped 0.4 cent a pound, ready-to-cook basis, from 22.1 cents in 1956 to 21.7 cents in 1957 (table 9). Since 1949, annual average farm-retail price spreads on chickens have varied within the narrow range of 21.1 cents to 23.0 cents. Both the annual average retail price and farm value of frying chickens declined slightly again in 1957 to their lowest levels in the 1949-57 period for which data are available. The farm share of the retail price, as a result, remained unchanged from 1956 at 55 percent, the smallest annual average share recorded in the 1949-57 period.

Special Price Spread Study

The Agricultural Marketing Service is continuing its monthly price-spread study for large, medium, and small eggs, frying chickens, and large, medium, and small turkeys. Prices for these commodities are reported at the farm, city receiver, retailer, and consumer market levels in each of nine cities: Atlanta, Baltimore, Boston, Chicago, Cleveland, Los Angeles, New York, St. Louis, and San Francisco. Complete price data are not yet available and the analyses in this article are limited to data for (1) large and medium eggs in Atlanta, Baltimore, Chicago, Cleveland, New York, and San Francisco; (2) frying chickens in Atlanta, Chicago, Los Angeles, New York, and San Francisco; and (3) medium and large size turkeys in Boston, Chicago, Los Angeles, New York and St. Louis.

Average retail prices used in this study were computed from data collected by the Bureau of Labor Statistics for the first 3 days of the week in which the 15th of the month falls and for the last 3 days of the previous week. 2/ Prices to retailers, city receiver prices, and farm values were computed from data reported by the Dairy and Poultry Market News Branch, Agricultural Marketing Service, and by private marketing firms for Wednesday of the week including the 8th of each month. Farm prices were obtained for 16 major poultry and egg-producing areas in the United States.

Eggs

Farm-retail price spreads on eggs in the six cities studied averaged 0.5 cent a dozen lower on large eggs and 1.0 cent a dozen lower on medium eggs in 1957 than in 1956 (table 11). Although the six cities differed somewhat in the amount of the decline in this gross spread, none recorded an increase. In general, also, the component parts of the farm-retail price spread were lower or unchanged in 1957 compared with 1956.

Farm-retail price spreads were highest on eggs retailed in New York and lowest on those retailed in San Francisco in both 1956 and 1957. In New York the spread on large eggs averaged 28.6 cents a dozen compared with 18.0 cents a dozen in San Francisco in 1957 (table 11). Incomplete data for Los Angeles indicate even lower average farm-retail price spreads than in San Francisco. Differences in gross spreads among the six cities

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2/ The Bur. of Labor Statistics collects food prices for its Consumer Price Index on the first 3 days of the week which includes the 15th of the month; under arrangements with the Agr. Market. Serv. it also collects prices for the previous weekend for the purposes of this special marketing study.

Table 11.- Eggs, Grade A large and medium: Prices per dozen at various market levels and price spreads, selected cities, 1956 and 1957

Item	6 city average		Atlanta		Baltimore		Chicago		Cleveland		New York		San Francisco	
	1956	1957	1956	1957	1956	1957	1956	1957	1956	1957	1956	1957	1956	1957
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Large														
Prices:														
Retail	62.1	1/58.6	60.8	57.0	64.8	61.3	58.2	54.4	63.4	60.2	67.6	63.8	58.1	1/54.9
To retailers	54.4	51.5	53.9	50.7	57.5	54.2	52.2	49.9	55.4	53.1	56.4	53.2	51.2	47.7
To city receivers 2/	43.5	40.6	43.7	39.9	44.9	42.0	40.7	38.0	40.6	38.4	44.8	41.8	46.5	43.4
Farm 2/	37.4	34.4	3/37.9	34.5	39.7	36.4	3/32.5	29.6	36.3	34.1	3/38.6	35.2	39.4	36.9
Spreads:														
Farm-retail	24.7	24.2	22.9	22.5	25.1	24.9	25.7	24.8	27.1	26.1	29.0	28.6	18.7	18.0
Retail store	7.7	7.1	6.9	6.3	7.3	7.1	6.0	4.5	8.0	7.1	11.2	10.6	6.9	7.2
Receiver-retailer	10.9	10.9	10.2	10.8	12.6	12.2	11.5	11.9	14.8	14.7	11.6	11.4	4.7	4.3
Farm-receiver	6.1	6.2	5.8	5.4	5.2	5.6	8.2	8.4	4.3	4.3	6.2	6.6	7.1	6.5
Medium														
Prices:														
Retail	55.1	1/51.3	57.0	51.4	1/57.3	1/53.6	50.5	46.5	1/55.5	1/52.6	57.5	54.3	52.8	49.2
To retailers	47.6	44.6	47.6	44.5	50.0	47.4	45.8	42.5	48.0	46.0	48.8	44.6	45.6	42.6
To city receivers 2/	37.7	34.8	37.5	34.2	38.7	35.5	35.3	32.3	35.0	32.4	38.5	35.5	41.4	38.6
Farm 2/	31.2	28.4	3/31.8	28.7	33.2	30.2	3/26.6	23.5	1/29.7	27.9	3/31.7	28.8	34.1	31.4
Spreads:														
Farm-retail	23.9	22.9	25.2	22.7	24.1	23.4	23.9	23.0	25.8	24.7	25.8	25.5	18.7	17.8
Retail store	7.5	6.7	9.4	6.9	7.3	6.2	4.7	4.0	7.5	6.6	8.7	9.7	7.2	6.6
Receiver-retailer	9.9	9.8	10.1	10.3	11.3	11.9	10.5	10.2	13.0	13.6	10.3	9.1	4.2	4.0
Farm-receiver	6.5	6.4	5.7	5.5	5.5	5.3	8.7	8.8	5.3	4.5	6.8	6.7	7.3	7.2

1/ Estimated annual average price based on data for less than 12 months.
2/ City receiver prices are f.o.b. delivered city prices for Atlanta and wholesale selling prices for Chicago, New York, and San Francisco. Farm prices are prices received by producers at the farm in major supply areas for the cities.
3/ Revised.

reflect such factors as differences in transportation costs, marketing practices and channels, retail pricing practices, and methods of buying eggs from farmers. For example, in cities where eggs generally are purchased from farmers on a United States consumer grade basis, gross farm-retail price spreads may be lower because farmers and not marketing firms directly absorb losses on the lower grade and undergrade eggs handled. Gross spreads are also lower when city wholesalers and other handlers are bypassed by large country egg assemblers and integrated marketing organizations. This practice is comparatively complete in some markets and only beginning in others.

In 1957, farm-retail price spreads averaged 1.3 cents a dozen higher for the six cities on large eggs than on medium. Atlanta was the only city among the six with a higher gross spread on medium eggs. In 1956, the average spread was also higher for medium than for large eggs except in San Francisco where the farm-retail price spreads on the two sizes were equal.

Frying Chickens

Annual average prices for frying chickens in Atlanta, Chicago, Los Angeles, New York, and San Francisco generally were lower at all market levels in 1957 than in 1956 (table 12). For the five cities, retail prices averaged 1.8 cents a pound lower and farm values were 0.8 cent a pound lower. Average farm-retail price spreads fell 1.0 cent a pound to 22.7 cents. The several component price spreads also declined.

Among the five cities, farm-retail price spreads in 1957 were lowest in Atlanta, averaging 16.3 cents a pound, and highest in San Francisco, averaging 31.6 cents a pound. The gross spread in Los Angeles was nearly as high as in San Francisco.

Retail prices of frying chickens in these two west coast cities historically have been higher than in the other three cities and retail-store margins are also much higher. San Francisco and Los Angeles retail-store margins averaged 18.2 cents and 18.9 cents a pound, respectively, about double the comparatively low store margins of 9.1 cents a pound in Chicago and New York. In San Francisco, large volumes of fryers are sold by concessionaires who operate specialized poultry or poultry and red meat departments in many retail food stores. Margins of these operators generally are higher and their pricing policies usually are less flexible than those of food retailers who own and operate their own poultry and red meat departments. There were sharp drops, however, in San Francisco retail prices, retail-store margins, and the average farm-retail price spread from 1956 to 1957 while farm values declined only slightly. This trend developed as sales of ready-to-cook fryers continued to gain over New York dressed birds.

Other factors underlying the differences among the five cities in market prices and price spreads, shown in table 12, include differences in sources of supplies, transportation costs, marketing channels and practices, and retail pricing policies. In some cities, retail stores, particularly supermarkets, frequently use fryers as special sales attractions and presumably place higher markups on other items so as to attain a satisfactory average gross margin on all sales. Retailers in other cities may select different combinations of products to carry high, medium, and low price spreads.

Table 12.- Frying chickens: Prices per pound (ready-to-cook basis) at different market levels and price spreads, selected cities, 1956 and 1957

Item	5 city average		Atlanta		Chicago	
	1956	1957	1956	1957	1956	1957
	Cents	Cents	Cents	Cents	Cents	Cents
Prices:						
Retail	50.6	1/48.8	41.6	41.5	44.1	42.7
To retailers	37.3	35.8	32.4	31.7	35.1	33.6
To city receivers 2/	32.8	31.8	29.9	30.2	32.3	30.7
Farm value 3/	26.9	26.1	26.0	25.2	26.4	25.5
Spreads:						
Farm-retail	23.7	22.7	15.6	16.3	17.7	17.2
Retail store	13.3	13.0	9.2	9.8	9.0	9.1
Receiver-retailer	4.5	4.0	2.5	1.5	2.8	2.9
Farm-receiver	5.9	5.7	3.9	5.0	5.9	5.2
	Los Angeles		New York		San Francisco	
Prices:						
Retail	56.0	56.2	45.2	1/44.6	65.9	58.9
To retailers	39.2	37.3	37.1	35.5	42.5	40.7
To city receivers 2/	34.6	33.4	34.2	32.7	32.9	32.1
Farm value 3/	26.6	25.7	27.5	26.8	28.1	27.3
Spreads:						
Farm-retail	29.4	30.5	17.7	17.8	37.8	31.6
Retail store	16.8	18.9	8.1	9.1	23.4	18.2
Receiver-retailer	4.6	3.9	2.9	2.8	9.6	8.6
Farm-receiver	8.0	7.7	6.7	5.9	4.8	4.8

1/ Preliminary — 11-month average.
2/ Frying chicken city receiver prices are f.o.b. delivered city prices for Atlanta, Chicago, Los Angeles, and San Francisco and wholesale selling prices for New York.
3/ Farm values are computed from prices reported in major commercial supply areas shipping frying chickens into the respective cities.

Farm values and city receiver prices were relatively uniform among the five cities. Farm values in 1957 ranged from 25.2 cents a pound, ready-to-cook basis, in Atlanta up to 27.3 cents a pound in San Francisco. City receiver prices varied from an average of 30.2 cents in Atlanta to 33.4 cents in Los Angeles.

Turkeys

Average farm-retail price spreads on medium turkeys fell in Boston, Chicago, Los Angeles, New York, and St. Louis from the last 3 months of 1956 to the like 1957 period. The five-city average spread decreased from 22.0 cents a pound, ready-to-cook basis, in October-December 1956 to 18.3 cents a pound in October-December 1957 (table 13). On large turkeys, the farm-retail price spread declined only 1.0 cent in the same period. Los Angeles and St. Louis registered larger average gross spreads in 1957.

Average prices of both sizes of turkeys fell at all market levels in all five cities in 1957 as a result of unusually large supplies of turkeys. In general, farm prices fell less than retail prices, causing farm-retail price spreads to narrow. In the summer and fall of 1957, retail prices of turkeys at times were near and even below retail prices of frying chickens. Turkeys have been special sale items in most retail food stores and restaurants since July 1957. The resulting sharp decreases in store margins nearly equaled or exceeded the decreases in total farm-retail price spreads (table 13).

In comparison with the wide differences among large cities in prices and price spreads on eggs and frying chickens, turkey prices and price spreads have differed much less among cities. This suggests greater uniformity in marketing practices and costs and in sources of supplies. On medium turkeys, the highest average farm-retail price spread of 19.6 cents a pound among the five cities was registered in Los Angeles and New York in October-December 1957. Chicago had the lowest price spread of 15.3 cents a pound. Chicago also had the lowest average retail-store margin of 4.8 cents a pound while the Los Angeles average store margin of 8.4 cents was highest. Thus, retail-store policies with respect to the use of turkeys as special sale items at low markups are an important factor affecting total marketing margins on turkeys.

Table 13.- Medium and large turkeys: Prices per pound (ready-to-cook basis) at different market levels and price spreads, selected cities, average for months of October-December in 1956 and 1957

Item	5 city average		Boston		Chicago		Los Angeles		New York		St. Louis	
	1956	1957	1956	1957	1956	1957	1956	1957	1956	1957	1956	1957
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Medium												
Prices:												
Retail	55.8	49.7	55.5	49.6	54.7	47.6	56.8	49.6	58.1	51.0	54.1	50.7
To retailers	45.7	42.9	46.6	42.8	45.8	42.8	44.2	41.2	46.7	44.2	45.4	43.5
To city receivers 1/	43.1	39.6	44.9	41.9	43.2	38.2	42.7	37.7	43.4	39.7	41.1	40.5
Farm value 2/	33.8	31.4	34.0	31.6	34.7	32.3	32.6	30.0	33.5	31.4	34.0	31.6
Spreads:												
Farm-retail	22.0	18.3	21.5	18.0	20.0	15.3	24.2	19.6	24.6	19.6	20.1	19.1
Retail store	10.1	6.8	8.9	6.8	8.9	4.8	12.6	8.4	11.4	6.8	8.7	7.2
Receiver-retailer	2.6	3.3	1.7	.9	2.6	4.6	1.5	3.5	3.3	4.5	4.3	3.0
Farm-receiver	9.3	8.2	10.9	10.3	8.5	5.9	10.1	7.7	9.9	8.3	7.1	8.9
Large												
Prices:												
Retail	52.9	45.3	52.6	44.8	50.6	43.2	52.8	46.7	59.1	46.8	49.3	45.1
To retailers	44.4	38.1	45.3	38.3	42.2	37.3	45.6	38.8	45.1	38.3	43.7	37.6
To city receivers 1/	42.1	35.2	44.3	37.3	41.7	34.7	40.6	33.0	43.1	36.3	40.8	34.9
Farm value 2/	31.1	24.5	31.2	24.6	31.3	25.1	30.9	23.6	31.0	24.4	31.2	24.6
Spreads:												
Farm-retail	21.8	20.8	21.4	20.2	19.3	18.1	21.9	23.1	28.1	22.4	18.1	20.5
Retail store	8.5	7.2	7.3	6.5	8.4	5.9	7.2	7.9	14.0	8.5	5.6	7.5
Receiver-retailer	2.3	2.9	1.0	1.0	.5	2.6	5.0	5.8	2.0	2.0	2.9	2.7
Farm-receiver	11.0	10.7	13.1	12.7	10.4	9.6	9.7	9.4	12.1	11.9	9.6	10.3

1/ City receiver prices are f.o.b. for Boston and St. Louis and wholesale selling for Chicago, Los Angeles, and New York.
2/ Farm values are computed from prices reported in major commercial turkey producing areas such as San Joaquin Valley, Shenandoah Valley, and Iowa.

PRICE SPREADS FOR EGGS IN WASHINGTON, D. C. 1/

Spreads or margins between retail prices of eggs marketed in Washington, D. C., stores and prices received by farmers increased considerably between 1954 and 1957. Most of the increase was in the gross margin taken by retail stores, only a part of which can be accounted for by higher operating costs. This report brings up to date an earlier study by the Agricultural Marketing Service of marketing margins and costs for eggs sold in Washington. 2/ Widespread interest in the first study and the many requests for more recent information prompted efforts to obtain comparable data for November 1957 from many of the original respondents.

Cross Farm-Retail Price Spread

The average farm-retail spread or margin on eggs in Washington, D. C., was about 6 cents per dozen higher in November 1957 than it was in 1953 and 1954 (table 14). Most of the increase was at retail, apparently due more to a change in pricing policy for eggs than to a rise in costs of handling eggs. The United States average farm-retail spread for eggs sold in all urban areas was declining during the same period the spread was increasing in Washington.

Table 14.- Typical farm-retail spreads per dozen for eggs retailed in Washington, D. C., by various distribution channels in 1953, 1954, and November 1957

Distribution channel	Production areas	Typical gross margins per dozen eggs: 1953 - 1954	Typical gross margins per dozen eggs: November 1957
		Cents	Cents
Country assembler to wholesaler (or chain warehouse) to chain retailer	Midwest	19.5-25.5	29.5-32.5
	East	15.5-19.5	20.5-26.5
Country assembler to wholesaler to independent retailer	Midwest	28.5	34.5
	East	23.0	29.0

1/ Prepared by Robert M. Conlogue and Wilson K. Kaiser, Agricultural Economists, Market. Res. Div., Agr. Market. Serv.

2/ For a report of the earlier study, see the Jan. 1955 issue of this Situation (MTS-116).

Gross farm-retail spreads for November 1957 on eggs produced in the Midwest and sold through Washington chain stores ranged from 29.5 cents to 32.5 cents per dozen. For eggs produced in nearby areas and sold through chain stores, spreads were 20.5 cents to 26.5 cents per dozen.

Ranges in margins on eggs in the same distribution channel probably resulted primarily from differences in store policies on margins and to a lesser extent from different handling methods. Some chains had a low markup on eggs along with some other food items, while other chains had higher markups on eggs. In addition, some chains bought directly from country assemblers; other bought from wholesalers. Some bought cartoned eggs and had them delivered directly to individual stores; others bought loose eggs which they candled, cartoned, and shipped to their stores. Some chains used both methods.

<u>Marketing Margins for Country Assemblers</u>

Nearby assemblers purchased eggs on a grade and size basis and generally candled only a sample of eggs received from each producer. They assembled eggs for the most part from relatively large commercial producers and moved them by truck in 2 to 4 days to wholesalers and chain-store warehouses in large eastern cities. Large volumes of eggs were received in 30-dozen cases and candled and cartoned in plants in Washington, D. C.

Midwestern assemblers were of two types: Those shipping loose eggs to consuming areas and those candling and cartoning at country points and shipping cartoned eggs only to consuming areas. Their gross margins per dozen eggs were slightly higher in November 1957 than in the same month of 1954 (table 15).

Typical marketing costs for nearby country assemblers for 1954 and November 1957 also increased between 1954 and 1957 (table 16).

Marketing methods in the Midwest have changed considerably since 1954. Much larger volumes of eggs now are cartoned at country points. It appears that this has had measurable effects on costs and cost classifications. For example, in 1954, buying stations were quite prevalent and buyers were paid on a commission basis. Now with the emphasis on quality, more assembly plants operate their own truck routes to farms (tables 17 and 18). While the total cost was the same in November 1957 as in 1954, the 1957 costs include more candling and cartoning.

Indications are that this relatively new method of handling eggs at country points is much more efficient than those used previously. Moreover, it enables plant managers to be in closer contact with producers and to keep them informed of the latest production methods. It also reduces the period between laying time and receipt at the plant.

Table 15.- Average purchase costs, selling prices, and margins per dozen eggs for selected country assemblers of nearby (N. J., Pa., Md., and Va.) and midwestern eggs, November 1953, February, May, August, and November 1954, and November 1957

Area, month, and year	Average purchase cost	Average selling price	Average margin per dozen eggs
	Cents	Cents	Cents
Nearby (N. J., Pa., Md., and Va.):			
Nov. 1953	51.6	55.3	3.7
Feb. 1954	45.7	49.2	3.5
May 1954	36.9	40.4	3.5
Aug. 1954	40.0	43.4	3.4
Nov. 1954	37.9	41.2	3.3
Nov. 1957	49.3	53.4	4.1
Midwest (Iowa, Minn.)			
Nov. 1953	40.1	49.8	9.7
Feb. 1954	38.7	47.2	8.5
May 1954	29.1	38.1	9.0
Aug. 1954	29.2	39.2	10.0
Nov. 1954	26.0	34.9	8.9
Nov. 1957	43.6	53.1	9.5

Table 16.- Typical marketing costs for country assemblers of nearby eggs sold in eastern markets, 1954 and November 1957

Item	Cost per dozen		Items included in marketing costs
	1954	November 1957	
	Cents	Cents	
Freight on sales	1.20	1.20	Plant to consuming areas
Supplies	1.08	1.40	Cases, flats, fillers, tape, etc.
General	1.25	1.50	Overhead, profits, etc.
Total	3.53	4.10	

Table 17.- Typical marketing costs per dozen for country assemblers of midwestern eggs sold in eastern markets, 1954

Item	Typical marketing costs	Items included in marketing costs
	Cents	
Freight on sales	2.70	Plant to consuming areas
Labor	.68	Processing, loading in and loading out
Supplies	2.02	Cases, flats, fillers, nails, wire strapping
Buying commission	2.38	Paid to station buyers and independent dealers for pickup at farm, grading, and handling
Plant trucking costs	.59	Delivery costs and expense of moving eggs from buying station to receiving plant
General	1.13	Overhead, profits, etc.
Total	9.50	

Table 18.- Typical marketing costs for country assemblers and cartoners of midwestern eggs sold in eastern markets, November 1957

Item	Costs
	Cents
Procurement (pickup at farm)	0.68
Candling	.74
Cartoning	.94
Loading out	.16
Supervision	.33
Supplies	3.50
Commissions	.31
Miscellaneous	.54
Transportation	2.30
Total	9.50

Margins and Costs for Wholesalers in Washington, D. C.

Wholesalers in Washington, D. C., in November 1957, operated on an average margin of about 9.2 cents per dozen compared with an average of about 8.0 cents in 1953-54. These wholesalers, as in 1953 and 1954, generally candled and sized eggs into consumer grades and packed them either in 1-dozen cartons for retail stores or in 30-dozen cases for hotels, restaurants, institutions, and the Armed Services. The average margin of 9.2 cents per dozen was broken down as follows: Labor, 2.8 cents; cartons and other supplies, 2.9 cents; replacement of eggs which did not meet consumer Grade A standards, 1.4 cents; and all other expenses and profits, 2.1 cents.

Marketing Margins for Retailers

Gross margins of chain-store retailers in the Washington metropolitan area for November 1957 averaged about 12.5 cents per dozen compared with an average of about 8.3 cents for the 5 months of the 1953-54 study. However, as in 1953 and 1954, margins varied considerably among the chains. Some operated on retail margins as low as 11.0 cents per dozen compared with 14.0 cents for others. As noted above, these differences result mainly from differences in store policies on markups.

New Trade Practices

Studies now in progress indicate that methods of marketing eggs are changing rapidly, especially in the Midwest, the source of a large part of the eggs consumed in Washington, D. C. These changes probably will reduce marketing costs and improve average quality of eggs sold to consumers. Growing concern among egg-marketing firms about poor quality and high marketing costs has led to increased grading and cartoning of eggs in or near producing areas. Quality control on egg-producing farms and throughout the marketing system is a key element in this method of marketing. The experience of a number of firms grading and cartoning eggs in the Midwest for sale in eastern cities indicates that the quality of eggs sold can be maintained at fully satisfactory levels and that the savings in marketing costs can be substantial compared with the traditional practice of preliminary grading at country points and final grading and cartoning in cities.

FARM-RETAIL SPREADS FOR FRUITS AND VEGETABLES 1/

> Marketing charges increased 6 percent for fresh fruits and vegetables last year but decreased 1 percent for processed fruits and vegetables. Retail prices for apples in Chicago, Los Angeles, and New York City were lower in the fall of 1957 than in 1956, while marketing margins, in general, were higher.
>
> The following article discusses recent trends in marketing charges and farm values for fruits and vegetables. It also considers marketing charges and prices for Washington State and Hudson Valley apples marketed in three large cities and describes the cost of packing Appalachian apples in the 1956-57 marketing season.

Marketing charges make up a large part of the retail price of fruits and vegetables -- more than for most other foods. The perishable nature of the fresh products, and the careful handling they require, together with long distances in shipping and the necessary prompt movement from producing areas to urban markets, contribute to the cost of marketing. Canned and frozen fruits and vegetables require extensive preparation and special packaging before being marketed. Marketing charges for fresh fruits and vegetables continued to rise last year, but for processed products they declined slightly.

As a percentage of the retail price, transportation charges generally are larges for fruits and vegetables than for other food groups. The Interstate Commerce Commission authorized increases effective in August 1957 in rail freight rates for fruits and vegetables of 9 percent for Southern Territory and 14 percent for Eastern and Western Territories. However, for all areas the maximum increase authorized for fruits and vegetables was 11 cents per 100 pounds. These increases included the emergency increases effected in December 1956 and February 1957.

Labor costs are also a large part of the marketing bill for fruits and vegetables. Hourly earnings of employees of food marketing firms averaged $1.90 in 1957, compared with $1.81 in 1956, an increase of 5 percent.

Fresh Fruits and Vegetables

The farm value, or payment farmers received for fresh fruits and vegetables in the family "market basket," decreased 7 percent from about $48 in 1956 to $45 in 1957. 2/ The farm-retail spread for these products increased 6 percent during the same period, from $81 in 1956 to $86 in 1957. This spread is the amount marketing agencies received for handling and transporting produce from the farm to consumers. The retail cost of these items rose 2 percent to $131 in 1957 from $129 in 1956. Both the spread and the retail cost reached record levels in 1957 while the farm value was 16 percent below the 1952 record.

1/ Prepared by Alvin Z. Macomber, Marketing Specialist, Market. Res. Div., Agr. Market. Serv.

2/ The "market basket" contains the average quantities of farm-produced foods purchased by urban wage-earner and clerical-worker families in 1952.

Percentage changes in the farm value and farm-retail spread varied for individual fresh fruits and vegetables last year. The farm value for apples, grapefruit, carrots, and celery increased between 10 and 15 percent from 1956 to 1957. Sweetpotatoes increased 22 percent and cabbage 33 percent. Decreases of nearly 10 percent occurred for oranges, onions, and tomatoes. Potatoes decreased 40 percent in farm value, averaging 1.6 cents per pound in 1957 compared with 2.6 cents in 1956. The spread for sweetpotatoes increased 14 percent -- the largest increase for any of the fresh fruits and vegetables. For apples, lettuce, and celery spreads rose by about 10 percent while rises for all other major items were a moderate 3 to 8 percent, except for potatoes for which there was a slight decrease in 1957.

Processed Fruits and Vegetables

The farm value, retail cost, and farm-retail spread for the processed fruits and vegetables in the market basket each decreased from 1956 to 1957. The farm value, at about $17 in 1957, was down 6 percent from 1956. The farm-retail spread was $71, 1 percent less than in 1956.

Much of the decrease in the farm value can be attributed to canned peaches, frozen concentrated orange juice, and frozen strawberries which decreased 12, 16, and 23 percent, respectively. The farm value for canned corn, peas, and tomatoes and frozen peas and green beans increased 3 to 4 percent.

Farm-retail spreads for most processed fruits and vegetables decreased. Spreads for strawberries and frozen peas decreased 6 and 8 percent, respectively, while those for canned peaches and frozen green beans increased 3 percent.

Marketing Margins and Prices for Apples

Margins for apples in three large cities were calculated from available price reports. This was part of a project to measure changes in marketing margins on a continuing basis. Price reporting was improved in 1955 by obtaining more specific commodity descriptions.

The retail price for Washington Delicious apples sold in Chicago, New York City, and Los Angeles during the fall of 1957 averaged $8.27 per western box. During the fall of 1956, it was $9.57, and the 1956-57 season average was $10.04.

While the retail price of Washington Delicious apples was lower this fall than last fall in these markets, the wholesale-retail margin rose from an average of $3.94 to $4.64 per box, an increase of 18 percent. The wholesale-retail margin in Chicago, New York City, and Los Angeles averaged 56 percent of the retail price in October-December 1957, an increase of 16 percentage points over the 1956 marketing season and 10 percentage points more than for the 1955 marketing season.

In New York City the wholesale-retail margin for Washington Delicious apples increased by 39 percent from $3.22 in October-December 1956 to $4.48 in 1957 (table 19). In Chicago this margin increased by 21 percent during the same period. In Los Angeles the actual wholesale-retail margin for Washington Delicious apples was $4.63 for November-December in both 1956 and 1957, but this margin as a percentage of the retail price increased by 14 percentage points in 1957.

In New York City retail prices for Hudson Valley Delicious apples and for Washington Delicious were about the same. However, the retail-wholesale margin was higher for the Hudson Valley Delicious. For Hudson Valley McIntosh, both the retail price and marketing margin were lower than those for Hudson Valley Delicious apples.

In Los Angeles retail and wholesale prices for Washington Winesap apples were lower than for Washington Delicious in the 1956 and 1957 marketing seasons. For example, in the 1956-57 marketing season, the retail price for Winesaps averaged $9.55 while for Delicious it averaged $10.20. Total marketing margin for Winesaps was also slightly lower than for Delicious in these two seasons.

Costs of Packing Appalachian Apples

The Appalachian apple area produces approximately 20 percent of the Nation's apples. 3/ About one-half of the Appalachian apples moves into fresh market channels and the other half goes to processors.

During the 1956-57 marketing season the cost of handling and packing fresh apples in eight of the larger packinghouses in the Appalachian area averaged $1.04 per Northwest box (table 20). The cost of packing bushel baskets and tray packs averaged 89 cents and 90 cents, respectively. These costs include all functions involved from the time the apples entered the packinghouses until they were ready for storage or loading into trucks or rail cars for shipment to market.

Labor costs involved in packing Northwest boxes, bushel baskets, and tray packs averaged 27 cents, 24 cents, and 20 cents, respectively. The container cost, which includes lid, liner, and pads, averaged 67 cents for the Northwest box, 55 cents for the bushel basket, and 60 cents for the tray pack. Overhead cost which includes building, equipment, and other costs averaged 10 cents per packed container.

The labor costs for the various operations, except for packing, were much the same regardless of type of pack. The cost of labor for dumping and grading averaged 6 cents per packed-out container.

In packing the Northwest box, each apple is individually wrapped. This type of pack, therefore, requires more time and workers with a higher degree of skill than either the bushel basket or tray pack. The per-unit labor cost involved in placing the fruit and lidding a Northwest box averaged 15 cents; labor costs were 12 cents for bushel baskets and 8 cents for tray packs.

3/ Appalachian apple area includes portion of Virginia, West Virginia, Maryland and Pennsylvania.

Table 19.- Prices, margins, and returns for apples marketed in New York City, Chicago, and Los Angeles, 1955-57

Washington Delicious 1/

Item	New York City				Chicago			
	Dec. 1955-May 1956	Oct. 1956-May 1957	Oct.-Dec. 1956	Oct.-Dec. 1957	Oct. 1955-June 1956	Oct. 1956-May 1957	Oct.-Dec. 1956	Oct.-Dec. 1957
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
Prices or returns:								
Retail prices 2/	8.13	9.69	9.03	8.37	8.04	10.23	9.70	8.72
Auction prices 3/	4.62	6.02	5.81	3.89	4.59	6.39	5.72	3.90
Packinghouse returns 4/	3.15	4.43	4.27	2.40	3.33	4.98	4.38	2.61
Margin (packinghouse to retail):								
Wholesale-retail margin 5/	3.51	3.67	3.22	4.48	3.45	3.84	3.98	4.82
Terminal selling charges 6/	.31	.39	.37	.26	.30	.41	.37	.26
Transportation charges 7/	1.16	1.20	1.17	1.23	.96	1.00	.97	1.03
Total	4.98	5.26	4.76	5.97	4.71	5.25	5.32	6.11
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
Percentage of retail price:								
Wholesale-retail margin	43	38	36	53	43	37	41	55
Terminal selling charges	4	4	4	3	4	4	4	3
Transportation charges	14	12	13	15	12	10	10	12
Total	61	54	53	71	59	51	55	70

See footnotes at end of table.

Continued -

Table 19.- Prices, margins, and returns for apples marketed in New York City, Chicago, and Los Angeles, 1955-57 - Continued

Washington apples in Los Angeles 1/

Item	Delicious				Winesap	
	Nov. 1955-Apr. 1956	Nov. 1956-Mar. 1957	Nov.-Dec. 1956	Nov.-Dec. 1957	Jan. 1956-June 1956	Dec. 1956-June 1957
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
Prices or returns:						
Retail prices 2/	8.35	10.20	9.99	7.72	7.22	9.55
Wholesale prices 8/	4.76	5.97	6.25	4.15	4.21	5.88
Packinghouse returns 9/	3.33	5.00	4.75	2.42	3.47	4.96
Margin (packinghouse to retail):						
Retail margin 10/	3.59	4.23	3.74	3.57	3.01	3.67
Wholesale margin 11/	.84	.34	.89	1.06	.14	.28
Transportation charges 7/ 12/	.59	.63	.61	.67	.60	.64
Total	5.02	5.20	5.24	5.30	3.75	4.59
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
Percentage of retail price:						
Retail margin	43	42	37	46	42	38
Wholesale margin	10	3	9	14	2	3
Transportation charges	7	6	6	9	8	7
Total	60	51	52	69	52	48

See footnotes at end of table.

Continued -

Table 19.- Prices, margins, and returns for apples marketed in New York City, Chicago, and Los Angeles, 1955-57 - Continued

Hudson Valley apples in New York City 1/

Item	Delicious			McIntosh		
	Oct. 1956-Feb. 1957	Oct.-Nov. 1956	Oct.-Dec. 1957	Oct. 1956-Mar. 1957	Oct.-Dec. 1956	Oct.-Dec. 1957
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
Prices or returns:						
Retail prices 2/	9.61	9.26	8.29	8.48	8.82	6.30
Wholesale prices 8/	4.24	4.00	2.75	3.42	3.58	1.90
Packinghouse returns 4/	3.69	3.47	2.30	2.93	3.08	1.52
Margin (packinghouse to retail):						
Retail margin 10/	5.37	5.26	5.54	5.06	5.24	4.40
Selling charges 13/	.30	.28	.20	.24	.25	.13
Transportation charges 14/	.25	.25	.25	.25	.25	.25
Total	5.92	5.79	5.99	5.55	5.74	4.78
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
Percentage of retail price:						
Retail margin	56	57	67	59	59	70
Selling charges	3	3	2	3	3	2
Transportation charges	3	3	3	3	3	4
Total	62	63	72	65	65	76

See footnotes at end of table.

Continued -

Table 19.- Prices, margins, and returns for apples marketed in New York City, Chicago, and Los Angeles, 1955-57 - Continued

1/ Washington apples in Northwest box, 44 pounds net weight; Hudson Valley apples in Eastern crate, 54 pounds net weight.
2/ Retail price: Average price for the first 3 days of the week containing the 15th of each month for a quantity equivalent to the wholesale package less spoilage at retail.
3/ Auction price: Average price all sizes of apples for the week which includes the 8th of the month.
4/ Auction or wholesale price less selling charges and transportation costs.
5/ Retail price less auction price.
6/ Broker's commission, 4 percent; auction selling charge, 1.75 percent; and auction handling charge, 4 cents per box.
7/ Rail freight from Wenatchee, Wash., plus carrier's protective service and 3 percent Federal tax.
8/ Wholesale price: Tuesday's price for the week which includes the 8th of each month.
9/ F.o.b. price Yakima Valley, Wash. Average price for the week which includes the 1st of the month.
10/ Retail price less wholesale price.
11/ Wholesale price less price f.o.b. packinghouse and transportation costs.
12/ Truck transportation costs were approximately 60 cents per box in Nov.-Dec. 1957. Over one-half Los Angeles apples from Washington State go by truck.
13/ Commission selling charge of 7 percent of wholesale price.
14/ Estimated charges per crate of apples carried by independent truckers from the Hudson Valley to New York City.

After being packed, the containers are labeled, tallied, and stacked on the packinghouse floor preparatory to loading. The labor cost for these operations, plus crating culls and stacking empty boxes, make up the "container handling" costs which averaged 3-1/2 cents per packed container. Other labor costs and cost of supervisory activities averaged 2-1/2 cents per packed container.

Table 20.- Average costs for packing apples in 8 packinghouses, per packed Northwest box, Appalachian area, 1956 1/

	Cents
Labor costs:	
Dump and grade	6.1
Packing and lidding	15.0
Container handling and culls	3.5
Supervisory and miscellaneous	2.5
Total	27.1
Box, liner, pads, and paper	67.0
Estimated overhead costs:	
Building	1.8
Equipment	5.7
Other 2/	2.8
Total	10.3
Total costs	104.4

1/ Data from an unpublished study by the W. Va. Agr. Expt. Sta. and AMS.
2/ Repairs, services, insurance, and taxes.

SELECTED NEW PUBLICATIONS

1. "An Analysis of Federal Court Decisions Relating to the Marketing of Fluid Milk," by Gertrude G. Foelsch and Hugh L. Cook, Wis. Agr. Expt. Sta. Res. Bul. 200, Jan. 1957. (AMS cooperating.)
2. "An Economist Looks at Meat Grading and Consumer Studies," by Gerald Engelman, U. S. Dept. Agr., Agr., Market. Serv. Statement to the Conference on Consumer Studies and Meat Quality, Univ. of Mo., Columbia, Mo., Sept. 9, 1957.
3. "Analysis of Short-Time Changes in the Price of Butter at Chicago," by Robert W. March, Elsie D. Anderson, and Jack E. Klein, U. S. Dept. Agr., Market. Res. Rpt. 194, Aug. 1957.
4. "Case Study of Labor Costs and Efficiencies in Warehousing Formula Feeds," by William R. Askew, Carl J. Vosloh, Jr., and V. John Brensike, U. S. Dept. Agr., Market. Res. Rpt. 205, Nov. 1957.
5. "Conversion of Small Hydraulic Cottonseed Oil Mills into Higher Oil-Yielding Mills," by John M. Brewster and Stanley P. Clark, U. S. Dept. Agr., Market. Res. Rpt. 187, July 1957.
6. "Cost and Efficiency in House Packing Western Head Lettuce," by R. V. Enochian, F. J. Smith, and L. L. Sammet, Calif. Agr. Expt. Sta. Mimeog. Rpt. 199, Sept. 1957. (Giannini Foundation of Agr. Econ. and AMS cooperating.)
7. "Cost Standards for a Model Stationary Custom Feed Mill for the Midwest," by William R. Askew, V. John Brensike, and Frank M. Ross, Agr. Market. Serv. Prelim. Rpt. 215, Nov. 1957.
8. "Costs of Butterfat Sampling and Testing Programs," by Fred Stein, Anthony G. Mathis, and Louis F. Herrmann, Agr. Market. Serv. Pub. 212, Oct. 1957.
9. "Livestock Dealers' Operations in Northeastern United States," by Charles H. Merchant, Maine Agr. Expt. Sta. Bul. 555, May 1957. (Northeast Region. Pub. 30, Agr. Expt. Stas. of Conn., Del., Maine, Md., Mass., N. H., N. J., N. Y., Pa., Vt., W. Va., and USDA cooperating.)
10. "Major Statistical Series of the U. S. Department of Agriculture -- How They Are Constructed and Used. Volume 4, Agricultural Marketing Costs and Charges." Chapter 1. Farm-Retail Price Spreads, by Kenneth E. Ogren and Kathryn Parr. Chapter 2. Elements of Marketing Cost, by Kenneth E. Ogren, Kathryn Parr, and Robert B. Reese. U. S. Dept Agr. Handbook 118, 1957.
11. "Marketing Charges for California Long White Potatoes Sold in Los Angeles, Chicago, and New York City During the 1956 Season," by Joseph C. Podany, U. S. Dept. Agr., Market. Res. Rpt. 193, Nov. 1957.
12. "Marketing Costs and Margins for Chicken Fryers and Fowl Sold in Chicago and Minneapolis-St. Paul," by Robert M. Conlogue, U. S. Dept. Agr., Market Res. Rpt. 195, Nov. 1957.
13. "Marketing Margins and Practices for Turkeys Sold in Three Eastern Markets," by Earl H. Rinear, U. S. Dept. Agr., Market. Res. Rpt. 191, Aug. 1957.
14. "Merchandising Milk and Dairy Products in Retail Grocery Stores," by John B. Roberts, Sheldon W. Williams, and Stephen F. Whitted, Ky. Agr. Expt. Sta. Cir. 551, June 1957. (North Central Region. Pub. 78, Agr. Expt. Stas. of Ill., Ind., Iowa, Kans., Ky., Mich., Minn., Mo., Nebr., N. Dak., Ohio, S. Dak., Wis., and USDA cooperating.)

15. "Methods of Receiving Potatoes in Barrels at Maine Trackside Storages," by Earl K. Bowman and Edward F. Johnston, Maine Agr. Expt. Sta. Bul. 560, June 1957. (AMS cooperating.)
16. "Quality and Cost of Ginning American-Egyptian Cotton -- Seasons 1952-53 and 1953-54," by James S. St. Clair and Arthur T. Roberts, U. S. Dept. Agr., Market. Res. Rpt. 199, Oct. 1957. (Ariz. Agr. Expt. Sta. and AMS cooperating.)
17. "The Production-Consumption Balance of Milk in the Northeast Region," by Arthur D. Jeffrey, Cornell Agr. Expt. Sta., A. E. 1055, June 1957. (Northeast Region. Pub. 29, Agr. Expt. Stas. of Maine, N. H., Vt., Mass., R. I., Conn., N. Y., N. J., Pa., Md., Va., W. Va., and AMS cooperating.)
18. "The Wage Factor in Retailing Meat in 4 Cities -- A Study of Marketing of Agricultural Products," by Imogene Bright, U. S. Dept. Agr., Market. Res. Rpt. 202, Nov. 1957.

Publications issued by State Agricultural Experiment Stations may be obtained from the issuing Station.

LIST OF SPECIAL ARTICLES
in
The Marketing and Transportation Situation
1957

Table 21.- Farm food products: Retail cost, farm value of equivalent quantities sold by producers, byproduct allowance, farm-retail spread, and farmer's share of retail cost, October-December 1957 1/

Product 2/	Farm equivalent	Retail unit	Retail cost	Gross farm value	Byproduct allowance	Net farm value	Farm-retail spread	Farmer's share
			Dollars	Dollars	Dollars	Dollars	Dollars	Percent
Market basket	Farm produce equivalent to products bought by urban families	Average quantities purchased per urban wage-earner and clerical-worker family in 1952	1013.66	---	---	406.80	606.86	40
Meat products			262.35	---	---	143.52	118.83	55
Dairy products			195.90	---	---	90.76	105.14	46
Poultry and eggs			99.25	---	---	63.70	35.55	64
Bakery and cereal products								
All ingredients			158.03	---	---	31.63	126.40	20
Grain			---	26.76	2.83	23.93	---	15
All fruits and vegetables			210.73	---	---	56.76	153.97	27
Fresh fruits and vegetables			122.87	---	---	39.82	83.05	32
Fresh vegetables			64.15	---	---	20.45	43.70	32
Processed fruits and vegetables			87.86	---	---	16.94	70.92	19
Fats and oils			44.98	---	---	13.29	31.69	30
Miscellaneous products			42.42	---	---	7.14	35.28	17
			Cents	Cents	Cents	Cents	Cents	Percent
Beef (Choice grade)	2.16 lb. Choice grade cattle	Pound	73.1	49.6	3.9	45.7	27.4	63
Lamb (Choice grade)	2.38 lb. lamb	Pound	69.9	47.5	7.8	39.7	30.2	57
Pork (retail cuts)	2.13 lb. hogs	Pound	59.2	37.2	5.1	32.1	27.1	54
Butter	Cream and whole milk	Pound	75.1	---	---	51.5	23.6	69
Cheese, American process	Milk for American cheese	Pound	57.8	---	---	28.7	29.1	50
Ice cream	Cream and milk	Pint	29.5	---	---	3/ 5.6	23.9	19
Milk, evaporated	Milk for evaporating	14-1/2 ounce can	14.7	---	---	6.3	8.4	43
Milk, fluid	Wholesale fluid milk	Quart	25.0	---	---	11.4	13.6	46
Chickens, frying, ready-to-cook	1.37 lb. broilers	Pound	44.4	---	---	23.1	21.3	52
Eggs	1.03 doz.	Dozen	63.5	---	---	45.6	17.9	72
Bread, white								
All ingredients	Wheat and other ingredients	Pound	19.0	---	---	3.2	15.8	17
Wheat	.894 lb. wheat	Pound	---	2.9	.3	2.6	16.4	14
Crackers, soda	1.40 lb. wheat	Pound	29.1	4.5	.4	4.1	25.0	14
Corn flakes	1.57 lb. white corn	12 ounces	23.5	4.3	1.1	3.2	20.3	14
Corn meal	1.34 lb. white corn	Pound	12.8	3.6	.3	3.3	9.5	26
Flour, white	7.0 lb. wheat	5 pounds	54.8	22.5	2.1	20.4	34.4	37
Rolled oats	2.56 lb. oats	20 ounces	22.2	4.9	.7	4.2	18.0	19
Apples	1.08 lb. apples	Pound	12.5	---	---	4.9	7.6	39
Grapefruit 4/	1.04 grapefruit	Each	11.4	---	---	2.3	9.1	20
Lemons	1.04 lb. lemons	Pound	18.2	---	---	4.0	14.2	22
Oranges	1.04 doz. oranges	Dozen	61.7	---	---	16.4	45.3	27
Beans, green	1.09 lb. snap beans	Pound	24.1	---	---	8.9	15.2	37
Cabbage	1.10 lb. cabbage	Pound	8.1	---	---	2.1	6.0	26
Carrots	1.06 lb. carrots	Pound	16.6	---	---	5.1	11.5	31
Celery	1.11 lb. celery	Pound	13.3	---	---	3.3	10.0	25
Lettuce	1.41 lb. lettuce	Head	18.3	---	---	5.8	12.5	32
Onions	1.06 lb. onions	Pound	8.3	---	---	2.2	6.1	27
Potatoes	10.42 lb. potatoes	10 pounds	56.5	---	---	16.9	39.6	30
Sweetpotatoes	1.12 lb. sweetpotatoes	Pound	13.5	---	---	4.4	9.1	33
Tomatoes	1.18 lb. tomatoes	Pound	26.0	---	---	10.6	15.4	41
Orange juice, canned	5.83 lb. Fla. oranges for canning	46 ounce can	33.7	---	---	9.5	24.2	28
Peaches, canned	1.89 lb. Calif. cling	No. 2-1/2 can	34.5	---	---	6.0	28.5	17
Beans with pork, canned	.35 lb. Mich. dry beans	16 ounce can	14.8	---	---	2.6	12.2	18
Corn, canned	2.49 lb. sweet corn	No. 303 can	17.3	---	---	2.4	14.9	14
Peas, canned	.69 lb. peas for canning	No. 303 can	21.4	---	---	3.1	18.3	14
Tomatoes, canned	1.84 lb. tomatoes for processing	No. 303 can	15.3	---	---	2.3	13.0	15
Orange juice concentrate, frozen	3.05 lb. Fla. oranges for frozen concentrated juice	6 ounce can	18.3	---	---	5.9	12.4	32
Strawberries, frozen	.51 lb. strawberries for processing	10 ounces	25.7	---	---	4.8	20.9	19
Beans, green, frozen	.79 lb. beans for processing	10 ounces	24.5	---	---	4.9	19.6	20
Peas, frozen	.70 lb. peas for freezing	10 ounces	19.6	---	---	3.2	16.4	16
Dried beans (navy)	1.00 lb. Mich. dry beans	Pound	16.3	---	---	7.3	9.0	45
Dried prunes	.97 lb. dried prunes	Pound	33.0	---	---	8.9	24.1	27
Margarine, colored	Soybeans, cottonseed, and milk	Pound	29.7	---	---	8.6	21.1	29
Peanut butter	1.77 lb. peanuts	Pound	53.8	---	---	18.5	35.3	34
Salad dressing	Cottonseed, soybeans, sugar, and eggs	Pint	37.4	---	---	7.1	30.3	19
Vegetable shortening	Soybeans and cottonseed	3 pounds	95.7	---	---	31.2	64.5	33
Corn sirup	1.90 lb. corn	24 ounces	25.0	3.4	.6	2.8	22.2	11
Sugar	36.84 lb. sugar beets	5 pounds	55.6	21.1	1.1	5/20.0	5/35.6	36

1/ The methods of calculation and the sources of price data are given in Part II of "Farm-Retail Spreads for Food Products," U. S. Dept. Agr. Misc. Pub. 741, 1957.

2/ Product groups include more items than those listed in this table. For example, the meat products group includes veal and lower grades of beef in addition to carcass beef of Choice grade, lamb, and pork.

3/ Includes farm value of cream and milk only.

4/ 2-month average.

5/ Net farm value adjusted for Government payments to producer was 24.1 cents, farm-retail spread adjusted for Government processor tax was 32.9 cents, farmer's share of retail cost based on adjusted farm value was 43 percent.

Preliminary estimates.

Table 22.- Farm food products: Retail cost and farm value, October-December 1957, July-September 1957, October-December 1956 and 1947-49 average 1/

Product 2/	Retail unit	Retail cost						Net farm value 3/					
		Oct.-Dec. 1957 4/	July-Sept. 1957	Oct.-Dec. 1956	1947-49 average	Percentage change: Oct.-Dec. 1957 from - July-Sept. 1957	Percentage change: Oct.-Dec. 1957 from - Oct.-Dec. 1956	Oct.-Dec. 1957 4/	July-Sept. 1957	Oct.-Dec. 1956	1947-49 average	Percentage change Oct.-Dec. 1957 from - July-Sept. 1957	Percentage change Oct.-Dec. 1957 from - Oct.-Dec. 1956
		Dollars	Dollars	Dollars	Dollars	Percent	Percent	Dollars	Dollars	Dollars	Dollars	Percent	Percent
Market basket	Average quantities purchased per urban wage-earner and clerical-worker family in 1952	1013.66	5/1030.43	982.61	940.09	- 2	+ 3	406.80	5/413.83	5/391.89	466.02	- 2	+ 4
Meat products		262.35	5/ 274.54	245.27	256.08	- 4	+ 7	143.52	5/149.91	5/127.29	170.90	- 4	+ 13
Dairy products		195.90	5/ 191.10	189.86	169.28	+ 3	+ 3	90.76	5/ 87.67	5/ 90.10	91.66	+ 4	+ 1
Poultry and eggs		99.25	5/ 96.98	95.12	117.01	+ 2	+ 4	63.70	59.77	5/ 56.96	80.69	+ 7	+ 12
Bakery and cereal products													
All ingredients		158.03	5/157.30	152.64	121.96	6/	+ 4	31.63	5/ 31.53	5/ 32.72	34.97	6/	- 3
Grain		---	---	---	---	---	---	23.93	5/ 23.49	24.18	24.96	+ 2	- 1
All fruits and vegetables		210.73	5/223.05	5/213.62	184.68	- 6	- 1	56.76	5/ 63.63	5/ 62.73	60.93	- 11	- 10
Fresh fruits and vegetables		122.87	5/135.37	123.10	103.91	- 9	6/	39.82	46.22	5/ 44.38	42.91	- 14	- 10
Fresh vegetables		64.15	5/ 65.37	62.72	53.17	- 2	+ 2	20.45	21.82	5/ 21.48	22.97	- 6	- 5
Processed fruits and vegetables		87.86	5/ 87.68	5/ 90.51	—	6/	- 3	16.94	5/ 17.42	5/ 18.35	—	- 3	- 8
Fats and oils		44.98	45.21	44.25	52.21	- 1	+ 2	13.29	5/ 14.00	5/ 14.80	19.84	- 5	- 10
Miscellaneous products		42.42	42.25	41.85	38.87	6/	+ 1	7.14	5/ 7.32	5/ 7.29	7.03	- 2	- 2
		Cents	Cents	Cents	Cents	Percent	Percent	Cents	Cents	Cents	Cents	Percent	Percent
Beef (Choice grade)	Pound	73.1	5/73.2	70.8	68.5	6/	+ 3	45.7	5/45.1	5/42.9	48.5	+ 1	+ 7
Lamb (Choice grade)	Pound	69.9	5/71.8	63.0	63.9	- 3	+ 11	39.7	5/40.0	5/34.2	44.2	- 1	+ 16
Pork (retail cuts)	Pound	59.2	5/65.5	54.0	59.4	- 10	+ 10	32.1	5/36.5	5/28.1	39.7	- 12	+ 14
Butter	Pound	75.1	5/74.0	74.2	79.4	+ 1	+ 1	51.5	5/51.3	5/52.4	59.3	6/	- 2
Cheese, American process	Pound	57.8	57.8	57.2	52.6	0	+ 1	28.7	5/28.4	5/29.0	32.0	+ 1	- 1
Ice cream	Pint	29.5	29.5	29.1	—	0	+ 1	5.6	5.6	5.7	—	0	- 2
Milk, evaporated	14½ ounce can	14.7	14.7	14.3	13.7	0	+ 3	6.3	6.1	6.4	7.1	+ 3	- 2
Milk, fluid	Quart	25.0	5/24.1	24.0	20.1	+ 4	+ 4	11.4	10.8	5/11.2	10.6	+ 6	+ 2
Chickens, frying, ready-to-cook	Pound	44.4	5/49.8	46.1	—	- 11	- 4	23.1	27.9	5/23.1	—	- 17	0
Eggs	Dozen	63.5	5/56.3	5/57.3	66.7	+ 13	+ 11	45.6	37.2	38.6	48.0	+ 23	+ 18
Bread, white													
All ingredients	Pound	19.0	18.9	18.3	13.5	+ 1	+ 4	3.2	3.1	3.2	3.3	+ 3	0
Wheat	Pound	---	---	---	—	---	---	2.6	2.5	2.7	2.7	+ 4	- 4
Crackers, soda	Pound	29.1	29.1	27.9	—	0	+ 4	4.1	4.0	5/ 4.2	—	+ 2	- 2
Corn flakes	12 ounces	23.5	5/23.1	22.3	17.1	+ 2	+ 5	3.2	5/ 3.4	2.8	3.2	- 6	+ 14
Corn meal	Pound	12.8	12.7	12.6	11.8	+ 1	+ 2	3.3	5/ 3.5	2.9	3.6	- 6	+ 14
Flour, white	5 pounds	54.8	54.8	53.3	48.4	0	+ 3	20.4	19.9	5/20.7	21.0	+ 3	- 1
Rolled oats	20 ounces	22.2	5/22.1	19.4	16.1	6/	+ 14	4.2	4.1	4.7	5.4	+ 2	- 11
Apples	Pound	12.5	5/19.7	13.7	11.9	- 37	- 9	4.9	6.8	6.3	5.4	- 28	- 22
Grapefruit 7/	Each	11.4	---	5/11.8	8.5	---	- 3	2.3	---	5/ 2.3	1.4	---	0
Lemons	Pound	18.2	5/18.0	20.3	17.7	+ 1	- 10	4.0	4.3	5.7	.5.7	- 7	- 30
Oranges	Dozen	61.7	5/61.1	61.9	46.6	+ 1	6/	16.4	20.1	18.8	12.6	- 18	- 13
Beans, green	Pound	24.1	21.2	24.1	21.1	+ 14	0	8.9	10.5	11.9	9.3	- 15	- 25
Cabbage	Pound	8.1	8.5	7.0	6.9	- 5	+ 16	2.1	2.8	1.4	1.9	- 25	+ 50
Carrots	Pound	16.6	5/15.9	13.7	11.1	+ 4	+ 21	5.1	5.3	5/ 3.5	4.0	- 4	+ 46
Celery	Pound	13.3	15.2	13.5	—	- 12	- 1	3.3	4.5	3.9	—	- 27	- 15
Lettuce	Head	18.3	5/19.6	20.9	14.5	- 7	- 12	5.8	7.2	5/ 9.1	6.3	- 19	- 36
Onions	Pound	8.3	5/ 9.7	7.4	8.4	- 14	+ 12	2.2	2.4	1.8	3.7	- 8	+ 22
Potatoes	10 pounds	56.5	5/58.3	52.7	51.9	- 3	+ 7	16.9	17.6	5/15.4	25.6	- 4	+ 10
Sweetpotatoes	Pound	13.5	5/16.5	12.1	11.6	- 18	+ 12	4.4	4.5	5/ 4.3	4.8	- 2	+ 2
Tomatoes	Pound	26.0	5/22.8	27.3	—	+ 14	- 5	10.6	8.5	10.2	—	+ 25	+ 4
Orange juice, canned	46 ounce can	33.7	5/34.1	39.4	—	- 1	- 14	9.5	10.5	11.1	—	- 10	- 14
Peaches, canned	No. 2-1/2 can	34.5	34.8	34.5	31.5	- 1	0	6.0	6.4	5/ 6.7	5.3	- 6	- 10
Beans with pork, canned	16 ounce can	14.8	14.7	14.6	—	+ 1	+ 1	2.6	2.4	2.1	—	+ 8	+ 24
Corn, canned	No. 303 can	17.3	17.1	17.7	16.7	+ 1	- 2	2.4	5/ 2.5	2.5	2.7	- 4	- 4
Peas, canned	No. 303 can	21.4	21.6	21.4	21.4	- 1	0	3.1	3.1	5/ 3.1	3.0	0	0
Tomatoes, canned	No. 303 can	15.3	15.0	15.1	14.2	+ 2	+ 1	2.3	2.4	2.4	2.6	- 4	- 4
Orange juice concentrate, frozen	6 ounce can	18.3	5/17.7	19.5	—	+ 3	- 6	5.9	5.9	7.8	—	0	- 24
Strawberries, frozen	10 ounces	25.7	5/25.6	28.8	—	6/	- 11	4.8	5.5	5/ 7.4	—	- 13	- 35
Beans, green, frozen	10 ounces	24.5	24.1	22.9	—	+ 2	+ 7	4.9	5/ 4.9	5/ 5.0	—	0	- 2
Peas, frozen	10 ounces	19.6	19.6	20.3	—	0	- 3	3.2	5/ 3.3	5/ 3.4	—	- 3	- 6
Dried beans (navy)	Pound	16.3	5/16.2	16.2	19.9	+ 1	+ 1	7.3	6.9	6.1	9.7	+ 6	+ 20
Dried prunes	Pound	33.0	5/33.8	35.1	23.1	- 2	- 6	8.9	9.5	5/11.4	8.8	- 6	- 22
Margarine, colored	Pound	29.7	29.6	29.3	39.7	6/	+ 1	8.6	5/ 9.0	5/ 9.5	12.2	- 4	- 9
Peanut butter	Pound	53.8	53.6	53.6	—	6/	6/	18.5	18.9	19.8	—	- 2	- 7
Salad dressing	Pint	37.4	5/37.4	35.8	37.8	0	+ 4	7.1	7.3	8.3	10.0	- 3	- 14
Vegetable shortening	3 pounds	95.7	5/97.4	97.3	105.6	- 2	- 2	31.2	5/32.5	34.4	46.2	- 4	- 9
Corn sirup	24 ounces	25.0	24.9	24.2	—	6/	+ 3	2.8	3.2	3.2	—	- 12	- 12
Sugar	5 pounds	55.6	55.5	53.3	48.4	6/	+ 4	20.0	20.0	20.0	19.4	0	0

1/ The methods of calculation and the sources of price data are given in Part II of "Farm-Retail Spreads for Food Products," U. S. Dept. Agr. Misc. Pub. 741, 1957.
2/ Product groups include more items than those listed in this table. For example, the meat products group includes veal and lower grades of beef in addition to carcass beef of Choice grade, lamb, and pork.
3/ Gross farm value adjusted to exclude imputed values of byproducts obtained in processing.
4/ Preliminary estimates.
5/ Revised.
6/ Less than 0.5 percent.
7/ 2-month average.

Table 23.- Farm food products: Farm-retail spread and farmer's share of the retail cost, October-December 1957, July-September 1957, October-December 1956, and 1947-49 average 1/

Product 2/	Retail unit	Farm-retail spread 3/ Oct.-Dec. 1957 4/	Farm-retail spread 3/ July-Sept. 1957	Farm-retail spread 3/ Oct.-Dec. 1956	Farm-retail spread 3/ 1947-49 average	Percentage change Oct.-Dec. 1957 from - July-Sept. 1957	Percentage change Oct.-Dec. 1957 from - Oct.-Dec. 1956	Farmer's share Oct.-Dec. 1957 4/	Farmer's share July-Sept. 1957	Farmer's share Oct.-Dec. 1956	Farmer's share 1947-49 average
		Dollars	Dollars	Dollars	Dollars	Percent	Percent	Percent	Percent	Percent	Percent
Market basket	Average quantities purchased per urban wage-earner and clerical-worker family in 1952	606.86	5/616.60	5/590.72	474.07	- 2	+ 3	40	40	40	50
Meat products		[illegible]	5/124.63	5/117.98	85.18	- 5	+ 1	55	55	5/52	67
Dairy products		105.14	5/103.43	5/ 99.76	77.62	+ 2	+ 5	46	46	47	54
Poultry and eggs		35.55	5/ 37.21	5/ 38.16	36.32	- 4	- 7	64	62	60	69
Bakery and cereal products											
All ingredients		126.40	5/125.77	5/119.92	86.99	+ 1	+ 5	20	20	21	29
Grain		---	---	---	—	---	---	15	15	16	20
All fruits and vegetables		153.97	5/159.42	5/150.89	123.75	- 3	+ 2	27	5/29	29	33
Fresh fruits and vegetables		83.05	5/ 89.15	5/ 78.72	61.00	- 7	+ 6	32	5/34	36	41
Fresh vegetables		43.70	5/ 43.55	5/ 41.24	30.20	6/	+ 6	32	33	34	43
Processed fruits and vegetables		70.92	5/ 70.26	5/ 72.16	—	+ 1	- 2	19	20	20	—
Fats and oils		31.69	5/ 31.21	5/ 29.45	32.37	+ 2	+ 8	30	31	33	38
Miscellaneous products		35.28	5/ 34.93	5/ 34.56	31.84	+ 1	+ 2	17	5/17	5/17	18
		Cents	Cents	Cents	Cents	Percent	Percent	Percent	Percent	Percent	Percent
Beef (Choice grade)	Pound	27.4	5/28.1	5/27.9	20.0	- 3	- 2	63	62	61	71
Lamb (Choice grade)	Pound	30.2	5/31.8	5/28.8	19.7	- 5	+ 5	57	5/56	54	69
Pork (retail cuts)	Pound	27.1	5/29.0	5/25.9	19.7	- 7	+ 5	54	56	52	67
Butter	Pound	23.6	5/22.7	5/21.8	20.1	+ 4	+ 8	69	5/69	5/71	75
Cheese, American process	Pound	29.1	5/29.4	5/28.2	20.6	- 1	+ 3	50	49	5/51	61
Ice cream	Pint	23.9	23.9	23.4	—	0	+ 2	19	19	20	—
Milk, evaporated	14½ ounce can	8.4	8.6	7.9	6.6	- 2	+ 6	43	41	45	52
Milk, fluid	Quart	13.6	5/13.3	5/12.8	9.5	+ 2	+ 6	46	45	47	53
Chickens, frying, ready-to-cook	Pound	21.3	5/21.9	5/23.0	—	- 3	- 7	52	56	5/50	—
Eggs	Dozen	17.9	5/19.1	5/18.7	18.7	- 6	- 4	72	66	67	72
Bread, white											
All ingredients	Pound	15.8	15.8	15.1	10.2	0	+ 5	17	16	17	24
Wheat	Pound	16.4	16.4	15.6	—	0	+ 5	14	13	15	20
Crackers, soda	Pound	25.0	25.1	5/23.7	—	6/	+ 5	14	14	15	—
Corn flakes	12 ounces	20.3	5/19.7	19.5	13.9	+ 3	+ 4	14	5/15	13	19
Corn meal	Pound	9.5	5/ 9.2	9.7	8.2	+ 3	- 2	26	5/23	23	31
Flour, white	5 pounds	34.4	34.9	5/32.6	27.4	- 1	+ 6	37	36	39	43
Rolled oats	20 ounces	13.0	5/13.0	14.7	10.7	0	+ 22	19	5/19	24	34
Apples	Pound	7.6	5/12.9	7.4	6.5	- 41	+ 3	39	5/35	46	45
Grapefruit 7/	Each	9.1	—	5/ 9.5	7.1	---	- 4	20	---	5/19	16
Lemons	Pound	14.2	5/13.7	14.6	12.0	+ 4	- 3	22	24	28	32
Oranges	Dozen	45.3	5/41.0	43.1	34.0	+ 10	+ 5	27	33	30	27
Beans, green	Pound	15.2	10.7	12.2	11.8	+ 42	+ 25	37	50	49	44
Cabbage	Pound	6.0	5.7	5.6	5.0	+ 5	+ 7	26	33	20	28
Carrots	Pound	11.5	5/10.6	5/10.2	7.1	+ 8	+ 13	31	5/33	5/26	36
Celery	Pound	10.0	10.7	5/ 9.6	—	- 7	+ 4	25	30	29	—
Lettuce	Head	12.5	5/12.4	5/11.8	8.2	+ 1	+ 6	32	5/37	44	43
Onions	Pound	6.1	5/ 7.3	5.6	4.7	- 16	+ 9	27	5/25	24	44
Potatoes	10 pounds	39.6	5/40.7	5/37.3	26.3	- 3	+ 6	30	5/30	29	49
Sweetpotatoes	Pound	9.1	5/12.0	5/ 7.8	6.8	- 24	+ 17	33	27	36	41
Tomatoes	Pound	15.4	5/14.3	17.1	—	+ 8	- 10	41	37	37	—
Orange juice, canned	46 ounce can	24.2	5/23.6	28.3	—	+ 3	- 14	28	31	28	—
Peaches, canned	No. 2-1/2 can	28.5	28.4	5/27.8	26.2	6/	+ 3	17	18	19	17
Beans with pork, canned	16 ounce can	12.2	12.3	12.5	—	- 1	- 2	18	16	14	—
Corn, canned	No. 303 can	14.9	5/14.6	15.2	14.0	+ 2	- 2	14	5/15	14	16
Peas, canned	No. 303 can	18.3	18.5	5/18.3	18.4	- 1	0	14	14	5/14	14
Tomatoes, canned	No. 303 can	13.0	12.6	12.7	11.6	+ 3	+ 2	15	16	16	18
Orange juice concentrate, frozen	6 ounce can	12.4	5/11.3	11.7	—	+ 5	+ 6	32	5/33	40	—
Strawberries, frozen	10 ounces	20.9	20.1	5/21.4	—	+ 4	- 2	19	22	26	—
Beans, green, frozen	10 ounces	19.6	5/19.2	5/17.9	—	+ 2	+ 9	20	5/20	22	—
Peas, frozen	10 ounces	16.4	5/16.3	5/16.9	—	+ 1	- 3	16	5/17	5/17	—
Dried beans (navy)	Pound	9.0	5/ 9.3	10.1	10.2	- 3	- 11	45	43	38	49
Dried prunes	Pound	24.1	5/24.3	5/23.7	14.3	- 1	+ 2	27	28	5/32	38
Margarine, colored	Pound	21.1	5/20.6	5/19.8	27.5	+ 2	+ 7	29	30	5/32	31
Peanut butter	Pound	35.3	34.7	33.8	—	+ 2	+ 4	34	35	37	—
Salad dressing	Pint	30.3	5/30.1	27.5	27.8	+ 1	+ 10	19	20	23	26
Vegetable shortening	3 pounds	64.5	5/64.9	62.9	59.4	- 1	+ 3	33	33	35	44
Corn sirup	24 ounces	22.2	21.7	21.0	—	+ 2	+ 6	11	13	13	—
Sugar	5 pounds	35.6	35.5	33.3	29.0	6/	+ 7	36	36	38	40

1/ The methods of calculation and the sources of price data are given in Part II of "Farm-Retail Spreads for Food Products," U. S. Dept. Agr. Misc. Pub. 741, 1957.
2/ Product groups include more items than those listed in this table. For example, the meat products group includes veal and lower grades of beef in addition to carcass beef of Choice grade, lamb, and pork.
3/ The farm-retail spread is the difference between the retail cost and the net farm value, table 22.
4/ Preliminary estimates.
5/ Revised.
6/ Less than 0.5 percent.
7/ 2-month average.

Table 24.- Farm food products: Retail cost, farm value of equivalent quantities sold by producers, byproduct allowance, farm-retail spread, and farmer's share of retail cost, annual 1956 1/

Product 2/	Farm equivalent	Retail unit	Retail cost	Gross farm value	Byproduct allowance	Net farm value	Farm-retail spread	Farmer's share
			Dollars	Dollars	Dollars	Dollars	Dollars	Percent
Market basket			972.21	---	---	389.88	582.33	40
Meat products			233.49	---	---	3/121.42	3/112.07	52
Dairy products			185.48	---	---	3/ 86.66	3/ 98.82	47
Poultry and eggs			97.66	---	---	3/ 61.40	3/ 36.26	63
Bakery and cereal products								
All ingredients	Farm produce equivalent to products bought by urban families	Average quantities purchased per urban wage-earner and clerical-worker family in 1952	150.75	---	---	3/ 31.80	3/118.95	21
Grain			---	27.08	3.55	23.53	---	16
All fruits and vegetables			219.80	---	---	3/ 66.72	3/153.08	30
Fresh fruits and vegetables			129.34	---	---	48.10	81.24	37
Fresh vegetables			68.17	---	---	24.59	43.58	36
Processed fruits and vegetables			90.47	---	---	3/ 18.62	3/ 71.85	21
Fats and oils			43.44	---	---	3/ 14.51	3/ 28.93	33
Miscellaneous products			41.59	---	---	7.37	34.22	18
			Cents	Cents	Cents	Cents	Cents	Percent
Beef (Choice grade)	2.16 lb. Choice grade cattle	Pound	66.0	3/43.4	3/3.6	3/39.8	3/26.2	3/60
Lamb (Choice grade)	2.37 lb. lamb	Pound	64.7	3/43.9	3/7.3	36.6	28.1	57
Pork (retail cuts)	2.13 lb. hogs	Pound	52.1	3/31.8	3/4.6	3/27.2	3/24.9	52
Butter	Cream and whole milk	Pound	72.1	---	---	3/51.0	3/21.1	71
Cheese, American process	Milk for American cheese	Pound	57.2	---	---	3/28.4	3/28.8	50
Ice cream	Cream and milk	Pint	28.9	---	---	4/ 5.5	23.4	19
Milk, evaporated	Milk for evaporating	14-1/2 ounce can	14.0	---	---	6.2	7.8	44
Milk, fluid	Wholesale fluid milk	Quart	23.3	---	---	10.6	12.7	45
Chickens, frying, ready-to-cook	1.37 lb. broilers	Pound	49.0	---	---	3/26.9	3/22.1	55
Eggs	1.03 doz.	Dozen	57.7	---	---	39.8	17.9	69
Bread, white								
All ingredients	Wheat and other ingredients	Pound	17.9	---	---	3.2	14.7	18
Wheat	.894 lb. wheat	Pound	---	3.0	.4	2.6	15.3	15
Crackers, soda	1.40 lb. wheat	Pound	27.6	4.6	.6	4.0	23.6	14
Corn flakes	1.57 lb. white corn	12 ounces	22.0	3.9	1.1	2.8	19.2	13
Corn meal	1.34 lb. white corn	Pound	12.6	3.3	.4	2.9	9.7	23
Flour, white	7.0 lb. wheat	5 pounds	53.3	23.0	2.8	20.2	33.1	38
Rolled oats	2.56 lb. oats	20 ounces	19.3	5.3	.9	4.4	14.9	23
Apples	1.08 lb. apples	Pound	15.1	---	---	6.3	8.8	42
Grapefruit 5/	1.04 grapefruit	Each	10.5	---	---	1.9	8.6	18
Lemons	1.04 lb. lemons	Pound	18.9	---	---	5.6	13.3	30
Oranges	1.04 doz. oranges	Dozen	58.2	---	---	19.7	38.5	34
Beans, green	1.09 lb. snap beans	Pound	25.0	---	---	11.3	13.7	45
Cabbage	1.10 lb. cabbage	Pound	7.9	---	---	1.8	6.1	23
Carrots	1.06 lb. carrots	Pound	13.7	---	---	3.5	10.2	26
Celery	1.11 lb. celery	Pound	13.5	---	---	3.9	9.6	29
Lettuce	1.41 lb. lettuce	Head	16.4	---	---	5.8	10.6	35
Onions	1.06 lb. onions	Pound	9.5	---	---	3.3	6.2	35
Potatoes	10.42 lb. potatoes	10 pounds	67.7	---	---	3/26.2	3/41.5	39
Sweetpotatoes	1.12 lb. sweetpotatoes	Pound	12.8	---	---	3/ 4.1	3/ 8.7	3/32
Tomatoes	1.18 lb. tomatoes	Pound	29.5	---	---	10.8	18.7	37
Orange juice, canned	5.88 lb. Fla. oranges for canning	46 ounce can	37.5	---	---	11.2	26.3	30
Peaches, canned	1.89 lb. Calif. cling	No. 2-1/2 can	34.8	---	---	3/ 7.3	3/27.5	21
Beans with pork, canned	.35 lb. Mich. dry beans	16 ounce can	14.6	---	---	2.2	12.4	15
Corn, canned	2.49 lb. sweet corn	No. 303 can	17.9	---	---	2.4	15.5	13
Peas, canned	.69 lb. peas for canning	No. 303 can	21.5	---	---	3.1	18.4	14
Tomatoes, canned	1.84 lb. tomatoes for processing	No. 303 can	15.2	---	---	2.3	12.9	15
Orange juice concentrate, frozen	3.05 lb. Fla. oranges for frozen concentrated juice	6 ounce can	19.6	---	---	7.4	12.2	38
Strawberries, frozen	.51 lb. strawberries for processing	10 ounces	29.7	---	---	8.0	21.7	27
Beans, green, frozen	.79 lb. beans for processing	10 ounces	23.1	---	---	4.8	18.3	21
Peas, frozen	.70 lb. peas for freezing	10 ounces	21.0	---	---	3.2	17.8	15
Dried beans (navy)	1.00 lb. Mich. dry beans	Pound	16.2	---	---	6.4	9.8	40
Dried prunes	.97 lb. dried prunes	Pound	35.6	---	---	12.9	22.7	36
Margarine, colored	Soybeans, cottonseed, and milk	Pound	28.9	---	---	9.4	19.5	33
Peanut butter	1.77 lb. peanuts	Pound	53.6	---	---	20.5	33.1	38
Salad dressing	Cottonseed, soybeans, sugar, and eggs	Pint	35.3	---	---	8.2	27.1	23
Vegetable shortening	Soybeans and cottonseed	3 pounds	95.4	---	---	34.0	61.4	36
Corn sirup	1.90 lb. corn	24 ounces	23.8	4.4	1.0	3.4	20.4	14
Sugar	37.35 lb. sugar beets	5 pounds	52.8	21.1	1.1	6/20.0	6/32.8	38

1/ The methods of calculation and the sources of price data are given in Part II of "Farm-Retail Spreads for Food Products," U. S. Dept. Agr. Misc. Pub. 741, 1957.
2/ Product groups include more items than those listed in this table. For example, the meat products group includes veal and lower grades of beef in addition to carcass beef of Choice grade, lamb, and pork.
3/ Revised.
4/ Includes farm value of cream and milk only.
5/ 7-months average.
6/ Net farm value adjusted for Government payments to producer was 24.1 cents, farm-retail spread for Government processor tax 30.1 cents, farmer's share of retail cost based on adjusted farm value was 46 percent.

Table 25.- Farm food products: Retail cost, farm value of equivalent quantities sold by producers, byproduct allowance, farm-retail spread, and farmer's share of retail cost, annual 1957 1/

Product 2/	Farm equivalent	Retail unit	Retail cost	Gross farm value	Byproduct allowance	Net farm value	Farm-retail spread	Farmer's share
			Dollars	Dollars	Dollars	Dollars	Dollars	Percent
Market basket	Farm produce equivalent to products bought by urban families	Average quantities purchased per urban wage-earner and clerical-worker family in 1952	1,007.09	---	---	400.49	606.60	40
Meat products			259.08	---	---	138.35	120.73	53
Dairy products			191.33	---	---	88.29	103.04	46
Poultry and eggs			93.55	---	---	57.60	35.95	62
Bakery and cereal products								
All ingredients			156.67	---	---	32.20	124.47	21
Grain			---	27.26	3.26	24.00	---	15
All fruits and vegetables			218.88	---	---	62.34	156.54	28
Fresh fruits and vegetables			130.52	---	---	44.89	85.63	34
Fresh vegetables			66.38	---	---	20.81	45.57	31
Processed fruits and vegetables			88.36	---	---	17.46	70.90	20
Fats and oils			45.35	---	---	14.44	30.91	32
Miscellaneous products			42.23	---	---	7.27	34.96	17
			Cents	Cents	Cents	Cents	Cents	Percent
Beef (Choice grade)	2.16 lb. Choice grade cattle	Pound	70.6	46.4	4.0	42.4	28.2	60
Lamb (Choice grade)	2.37 lb. lamb	Pound	68.5	47.0	8.3	38.7	29.8	56
Pork (retail cuts)	2.13 lb. hogs	Pound	60.2	38.7	5.6	33.1	27.1	55
Butter	Cream and whole milk	Pound	74.3	---	---	51.5	22.8	69
Cheese, American process	Milk for American cheese	Pound	57.6	---	---	28.8	28.8	50
Ice cream	Cream and milk	Pint	29.4	---	---	3/ 5.6	23.8	19
Milk, evaporated	Milk for evaporating	14-1/2 ounce can	14.6	---	---	6.3	8.3	43
Milk, fluid	Wholesale fluid milk	Quart	24.2	---	---	10.9	13.3	45
Chickens, frying, ready-to-cook	1.37 lb. broilers	Pound	47.7	---	---	26.0	21.7	55
Eggs	1.03 doz.	Dozen	54.6	---	---	36.6	18.0	67
Bread, white								
All ingredients	Wheat and other ingredients	Pound	18.8	---	---	3.2	15.6	17
Wheat	.894 lb. wheat	Pound	---	2.9	.3	2.6	16.2	14
Crackers, soda	1.40 lb. wheat	Pound	28.9	4.6	.5	4.1	24.8	14
Corn flakes	1.57 lb. white corn	12 ounces	23.1	4.2	1.1	3.1	20.0	13
Corn meal	1.34 lb. white corn	Pound	12.7	3.6	.4	3.2	9.5	25
Flour, white	7.0 lb. wheat	5 pounds	54.6	23.0	2.6	20.4	34.2	37
Rolled oats	2.56 lb. oats	20 ounces	21.9	5.3	.9	4.4	17.5	20
Apples	1.08 lb. apples	Pound	16.9	---	---	7.2	9.7	43
Grapefruit 4/	1.04 grapefruit	Each	11.2	---	---	2.1	9.1	19
Lemons	1.04 lb. lemons	Pound	18.9	---	---	4.7	14.2	25
Oranges	1.04 doz. oranges	Dozen	58.1	---	---	17.8	40.3	31
Beans, green	1.09 lb. snap beans	Pound	25.1	---	---	10.7	14.4	43
Cabbage	1.10 lb. cabbage	Pound	8.7	---	---	2.4	6.3	28
Carrots	1.06 lb. carrots	Pound	14.9	---	---	3.9	11.0	26
Celery	1.11 lb. celery	Pound	15.1	---	---	4.4	10.7	29
Lettuce	1.41 lb. lettuce	Head	17.6	---	---	6.0	11.6	34
Onions	1.06 lb. onions	Pound	9.5	---	---	3.0	6.5	32
Potatoes	10.42 lb. potatoes	10 pounds	57.0	---	---	15.7	41.3	28
Sweetpotatoes	1.12 lb. sweetpotatoes	Pound	14.9	---	---	5.0	9.9	34
Tomatoes	1.18 lb. tomatoes	Pound	29.1	---	---	9.8	19.3	34
Orange juice, canned	5.88 lb. Fla. oranges for canning	46 ounce can	35.4	---	---	10.3	25.1	29
Peaches, canned	1.89 lb. Calif. cling	No. 2-1/2 can	34.6	---	---	6.4	28.2	18
Beans with pork, canned	.35 lb. Mich. dry beans	16 ounce can	14.7	---	---	2.4	12.3	16
Corn, canned	2.49 lb. sweet corn	No. 303 can	17.2	---	---	2.5	14.7	15
Peas, canned	.69 lb. peas for canning	No. 303 can	21.5	---	---	3.2	18.3	15
Tomatoes, canned	1.84 lb. tomatoes for processing	No. 303 can	15.0	---	---	2.4	12.6	16
Orange juice concentrate. frozen	3.05 lb. Fla. oranges for frozen concentrated juice	6 ounce can	18.3	---	---	6.2	12.1	34
Strawberries, frozen	.51 lb. strawberries for processing	10 ounces	26.5	---	---	6.2	20.3	23
Beans, green, frozen	.79 lb. beans for processing	10 ounces	23.9	---	---	5.0	18.9	21
Peas, frozen	.70 lb. peas for freezing	10 ounces	19.7	---	---	3.3	16.4	17
Dried beans (navy)	1.00 lb. Mich. dry beans	Pound	16.1	---	---	6.8	9.3	42
Dried prunes	.97 lb. dried prunes	Pound	33.9	---	---	9.4	24.5	28
Margarine, colored	Soybeans, cottonseed, and milk	Pound	29.9	---	---	9.3	20.6	31
Peanut butter	1.77 lb. peanuts	Pound	53.6	---	---	19.2	34.4	36
Salad dressing	Cottonseed, soybeans, sugar, and eggs	Pint	37.2	---	---	7.6	29.6	20
Vegetable shortening	Soybeans and cottonseed	3 pounds	98.0	---	---	33.8	64.2	34
Corn sirup	1.90 lb. corn	24 ounces	24.8	3.9	.8	3.1	21.7	12
Sugar	35.77 lb. sugar beets	5 pounds	55.2	21.1	1.1	5/20.0	5/35.2	36

1/ The methods of calculation and the sources of price data are given in Part II of "Farm-Retail Spreads for Food Products," U. S. Dept. Agr. Misc. Pub. 741, 1957.
2/ Product groups include more items than those listed in this table. For example, the meat products group includes veal and lower grades of beef in addition to carcass beef of Choice grade, lamb, and pork.
3/ Includes farm value of cream and milk only.
4/ 7-month average.
5/ Net farm value adjusted for Government payments to producer was 24.0 cents, farm-retail spread adjusted for Government processor tax 32.5 cents, farmer's share of retail cost based on adjusted farm value was 43 percent.
Preliminary estimates.

Table 26.- The farm food market basket: Revised quarterly data for 1956

Item and period	Retail cost	Gross farm value	Net farm value	Farm retail spread	Farmer's share
	Dollars	Dollars	Dollars	Dollars	Percent
Market basket					
Jan.-Mar.	943.70	---	369.89	573.81	---
Apr.-June	968.49	---	393.89	574.60	---
July-Sept.	994.05	---	403.83	590.22	---
Oct.-Dec.	982.61	---	391.89	590.72	40
Meat products					
Jan.-Mar.	---	---	103.13	115.72	---
Apr.-June	---	---	119.28	107.56	---
July-Sept.	---	---	135.99	107.00	---
Oct.-Dec.	---	---	127.29	117.98	---
Dairy products					
Apr.-June	---	---	84.39	98.30	---
July-Sept.	---	---	87.04	99.59	---
Oct.-Dec.	---	---	90.10	99.76	---
Poultry and eggs					
Jan.-Mar.	---	---	66.82	34.92	---
Apr.-June	---	---	61.54	34.45	---
July-Sept.	---	---	60.27	37.51	---
Oct.-Dec.	---	---	56.96	38.16	---
Bakery and cereal products					
Jan.-Mar.	---	---	31.33	117.70	---
Apr.-June	---	---	31.89	117.86	---
July-Sept.	---	---	31.26	120.32	---
Oct.-Dec.	---	---	32.72	119.92	---
All fruits and vegetables					
Apr.-June	---	---	73.54	154.51	---
July-Sept.	---	---	68.18	161.16	---
Oct.-Dec.	213.62	---	62.73	150.89	---
Fresh fruits and vegetables					
Apr.-June	---	---	54.65	82.92	---
July-Sept.	---	---	49.31	88.93	---
Oct.-Dec.	---	---	44.38	78.72	---
Fresh vegetables					
Apr.-June	---	---	28.46	45.18	---
July-Sept.	---	---	25.99	45.17	---
Oct.-Dec.	---	---	21.48	41.24	---

Continued -

Table 26.- The farm food market basket: Revised quarterly data for 1956 - Con.

Item and period	Retail cost	Gross farm value	Net farm value	Farm retail spread	Farmer's share
	Dollars	Dollars	Dollars	Dollars	Percent
Processed fruits and vegetables					
Jan.-Mar.	89.78	---	18.36	71.42	20
Apr.-June	90.48	---	18.89	71.59	---
July-Sept.	---	---	18.87	72.22	---
Oct.-Dec.	90.51	---	18.35	72.16	20
Fats and oils					
Jan.-Mar.	---	---	13.84	27.93	---
July-Sept.	---	---	13.57	30.50	---
Oct.-Dec.	---	---	14.80	29.45	---
Miscellaneous products					
Jan.-Mar.	---	---	7.26	34.08	18
Apr.-June	---	---	7.42	34.08	18
July-Sept.	---	---	7.51	34.16	18
Oct.-Dec.	---	---	7.29	34.56	17
	Cents	Cents	Cents	Cents	Percent
Beef (Choice grade)					
Jan.-Mar.	---	37.7	34.5	27.6	---
Apr.-June	---	40.2	36.5	26.1	58
July-Sept.	---	49.1	45.2	23.3	---
Oct.-Dec.	---	46.6	42.9	27.9	---
Lamb (Choice grade)					
Jan.-Mar.	---	42.6	33.7	24.9	58
Apr.-June	---	47.3	40.0	28.5	58
July-Sept.	---	44.1	38.3	30.5	---
Oct.-Dec.	---	41.7	34.2	28.8	---
Pork (excluding lard)					
Jan.-Mar.	---	25.7	22.0	25.4	---
Apr.-June	---	33.6	---	---	---
July-Sept.	---	34.7	30.0	25.2	---
Oct.-Dec.	---	33.1	28.1	25.9	---
Butter					
Jan.-Mar.	---	---	49.9	20.9	---
Apr.-June	---	---	50.7	20.7	---
July-Sept.	---	---	51.0	21.1	---
Oct.-Dec.	---	---	52.4	21.8	71

Continued -

Table 26.- The farm food market basket: Revised quarterly data for 1956 - Con.

Item and period	Retail cost	Gross farm value	Net farm value	Farm retail spread	Farmer's share
	Cents	Cents	Cents	Cents	Percent
Cheese					
Jan.-Mar.	---	---	28.2	28.8	49
Apr.-June	---	---	28.2	28.9	49
Oct.-Dec.	---	---	29.0	28.2	51
Ice cream					
Jan.-Mar.	28.7	---	5.4	23.3	19
Apr.-June	28.7	---	5.5	23.2	19
Oct.-Dec.	29.1	---	5.7	23.4	20
Chickens, frying					
Jan.-Mar.	---	---	29.2	21.4	58
Apr.-June	---	---	28.4	21.3	---
July-Sept.	---	---	27.0	22.8	54
Oct.-Dec.	---	---	23.1	23.0	50
Bread, white (all ingredients)					
Jan.-Mar.	---	---	3.1	14.5	18
Apr.-June	---	---	3.2	14.5	18
July-Sept.	---	---	3.1	15.0	17
Oct.-Dec.	---	---	3.2	15.1	17
Crackers, soda					
Oct.-Dec.	---	---	4.2	23.7	---
Grapefruit 1/					
Apr.-June	10.4	---	1.9	8.5	18
Oct.-Dec.	11.8	---	2.3	9.5	19
Celery					
Jan.-Mar.	13.1	---	3.4	9.7	26
Apr.-June	14.0	---	4.1	9.9	29
Oct.-Dec.	13.5	---	3.9	9.6	29
Potatoes					
Apr.-June	---	---	36.7	42.9	---
July-Sept.	---	---	32.7	51.0	---
Oct.-Dec.	---	---	15.4	37.3	---
Sweetpotatoes					
Apr.-June	---	---	4.2	8.4	33
July-Sept.	---	---	4.0	10.6	27
Oct.-Dec.	---	---	4.3	7.8	---

Continued -

Table 26.- The farm food market basket: Revised quarterly data for 1956 - Con.

Item and period	Retail cost	Gross farm value	Net farm value	Farm retail spread	Farmer's share
	Cents	Cents	Cents	Cents	Percent
Peaches, canned					
July-Sept.	---	---	7.2	27.7	21
Oct.-Dec.	---	---	6.7	27.8	---
Corn, canned					
July-Sept.	---	---	2.4	15.8	13
Peas, canned					
July-Sept.	---	---	3.1	18.3	14
Oct.-Dec.	---	---	3.1	18.3	14
Beans, green, frozen					
July-Sept.	---	---	4.8	18.2	---
Oct.-Dec.	---	---	5.0	17.9	---
Peas, frozen					
July-Sept.	---	---	3.3	18.1	---
Oct.-Dec.	---	---	3.4	16.9	17
Dried prunes					
Jan.-Mar.	---	---	13.4	22.0	---
Apr.-June	---	---	13.4	22.5	37
Oct.-Dec.	---	---	11.4	23.7	32
Margarine (colored)					
Apr.-June	---	---	10.5	18.6	---
Oct.-Dec.	---	---	9.5	19.8	32
Sugar 2/					

1/ 2-month average.

2/ Revised net farm value adjusted for Government payments to producers, Jan.-Mar. 24.1, Apr.-June 24.1, July-Sept. 24.1, Oct.-Dec. 24.1; farm-retail spread adjusted for Government processor tax, Jan.-Mar. 29.7, Apr.-June 30.0, July-Sept. 30.2; farmer's share of retail cost based on adjusted farm value, Jan.-Mar. 46 pct., Apr.-June 46 pct., July-Sept. 46 pct.

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